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ABSTRACT

By 2011, 53 percent of the total population in Great Britain will be aged over 45; however, in recent years the proportion of labor market participants over 50 has declined significantly. Older workers have access to fewer training and development opportunities at work but are less likely to take short-term sickness absence and more likely to be committed to their work. Social contact and financial constraints can be particularly important reasons for them to work. Employers perceive older workers as knowledgeable, experienced, reliable, stable, thoughtful about the business, and having good interpersonal and customer service skills. Examples of good practice in older worker recruitment are as follows: removing age limits in job advertisements; equal opportunities statements on age; competency-based recruitment; avoidance of unintentional discrimination; and strategies to target older workers and make work more attractive to older workers. Employers have developed policies and practices likely to benefit older workers: support for careers of older people such as flexible working arrangements, advice, and support; training; benefits such as health screening, associations for older workers, and consideration of physical working conditions; gradual or phased retirement; support and advice to prepare for retirement; and postretirement contact and benefits. (Contains 41 references.) (YLB)

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# Executive Summary

Older workers are increasing in number, but their participation in employment has declined over the last decade. Employers are beginning to realise that the experience of older workers is of value and are exploring various forms of partial retirement and flexible working arrangements in order to retain them. The government's Code of Practice for Age Diversity in Employment[1] has been focusing attention on age related issues. Nevertheless, the full implications of the demographic changes for HR practice and work design have not yet been drawn.

Generally, an employee is defined as 'older' somewhere between the ages of 40 and 55, with a threshold of 50 the most common.

By 2011, 53 per cent of the total population in Great Britain will be aged over 45, 35 per cent aged over 55 and 18 per cent aged between 45 and 55. However, in recent years the proportion of people aged over 50 participating in the labour market has been declining significantly. Reasons for this include the over representation of older workers in declining industries and the implementation of early retirement schemes.

Once unemployed, older workers experience difficulty regaining employment. Many opt for self-employment. Older workers have access to fewer training and development opportunities at work, but are less likely to take short-term sickness absence and are more likely to demonstrate a high degree of commitment to their work.

Older workers can often be in employment for reasons other than financial gain, social contact can be particularly important.

---

[1] Department for Education and Employment (1999), *'Age Diversity in Employment: A Code of Practice'*.

On the other hand, financial constraints are likely to oblige more people to continue working later in life in the future. With fewer younger people in the workforce to draw from, employers will need to consider how to attract and accommodate the available older workforce. They will also need to consider how to manage an older workforce.

The needs and preferences of employees in the workplace clearly do not necessarily vary by age. However, older workers are more likely to benefit from:

- support in preparing for retirement
- training to update skills
- family friendly working practices for those with caring responsibilities for older people
- job and work design to take account of their needs, particularly with regard to physical working conditions.

Common employer perceptions of older workers are that they represent a knowledgeable, experienced, reliable and stable workforce, who are thoughtful about the business, with good interpersonal and customer service skills. Younger employees, on the other hand, are thought to be better able to deal with change and be more physically fit. Given the ageing profile of the population and tightening of labour markets faced by employers in many industries, one may well question why employers are not making more use of this committed workforce.

Most employers do not appear to view the demographic changes as an immediate concern. Realistically, it is only the very large employers who are taking account of these changes. Some appreciate the need to reflect and cater for the age profile of their customer base. For others the likely impact is too far ahead or too gradual to prompt them to take any action.

Generally, employers were not experiencing recruitment difficulties at the time of the research and perhaps for this reason age issues in recruitment were not of primary concern. However, some of the examples of good practice in relation to recruitment of older workers identified were:

- removing age limits in job advertisements
- equal opportunities statements on age

- competency based recruitment, rather than basing selection decisions on education and qualifications which older workers may not have
- ensuring avoidance of unintentional discrimination
- management education to ensure recruitment practices are geared up for recruiting people of all ages
- strategies to target older workers, and making work more attractive to older workers.

Employers do not view older workers as a separate group of employees with distinct wants and needs in the workplace. Employers have, however, developed policies and practices which are likely to benefit older workers. These include:

- support for carers of older people such as flexible working arrangements, advice and support. Employers are starting to recognise the importance of gaining an understanding of this issue
- training such as open learning, assistance in building up confidence or plugging skills gaps, support to prepare for retirement and the development of outside interests
- other benefits such as health screening, associations for older workers, and consideration of physical working conditions
- gradual or phased retirement schemes
- support and advice to prepare for retirement
- post-retirement contact and benefits.

In recent years, employers have used early retirement schemes extensively when reducing headcount. However, as employers are less able to offer early retirement packages attractive enough to tempt older workers to take up this option, they will need to consider other alternatives.

# 1. Introduction

## 1.1 The context

Older workers are increasing in number, but their participation in employment has declined over the last decade. Human Resource policies relating to older workers have focused recently upon early retirement and redundancy schemes. However, employers are now beginning to realise that the experience of older workers is of value and are exploring various forms of partial retirement and flexible working arrangements in order to retain them. Nevertheless, the full implications of the demographic changes for Human Resource (HR) practice and work design have not yet been drawn.

The Government's draft Code of Practice for Age Diversity in Employment was launched in June 1999[1] and has been focusing attention on age related issues. This is a voluntary code for employers to follow covering six areas of employment, namely recruitment and selection, promotion, training, redundancy and retirement. The stated aim of the code is to have a real impact on age discrimination.

## 1.2 Objectives of the research

This research was funded by the IES Research Club, through which a group of IES corporate subscribers finance, and often participate in applied research on employment issues. The

[1] Department for Education and Employment (1999), *'Age Diversity in Employment: A Code of Practice'*.

study was a small briefing project and was not based on extensive primary research. The aim was to provide HR managers with data on the nature and scale of the demographic changes and to provide some examples of good practice on how organisations are responding.

Three main objectives were set for this project:

- to examine the demographic trends and the characteristics of older workers in terms of occupations and working patterns and employers' attitudes towards them and their roles
- to draw out the implications for organisational resourcing and employee exit, and
- to discover the ways in which organisations are already responding.

## 1.3 Research methods

Our findings are based on:

- a review of existing literature
- an analysis of the secondary data on the demographic and labour market characteristics of the older workforce, particularly drawing from the *Labour Force Survey* and the *British Social Attitudes Survey*
- interviews with five leading employers from a range of industrial sectors including retail, finance, transport and communications and public administration. These were identified through the IES Research Club as well as existing literature. In the first instance, all members of the IES Research Club who were interested in the research were approached to determine their interest in the project. Further employers, who had implemented measures to benefit older workers, were identified through the literature. The interviews were conducted during March 1999. These interviews with HR managers covered a number of areas:
  - any concerns about the implications for the organisation of the demographic changes
  - current age profile of the workforce and any concerns relating to this
  - perceptions about older workers

- perceptions about the needs and wishes of older workers in the workplace
- how and to what extent employers have provided for these needs
- policies or practices in place or being considered to attract or retain older workers or to cater for the needs of older workers in the workplace

- a one day workshop held in London in March 1999 to which all Research Club and other corporate members of IES were invited, as well as other organisations specifically concerned with age related issues. The aim of the workshop was to feedback the preliminary findings of the research and to draw out the implications of these for HR policy and practice.

## 1.4 Structure of the report

Chapter 2 provides details of the demographic changes. It explores the position of older workers in the labour market and the skills and attributes they have to offer, as compared with other age groups.

Chapter 3 looks at older workers attitudes, preferences and needs in the workplace. Employers may need to consider these if, in the context of the demographic changes, they wish to attract and retain more older workers.

In Chapter 4 we examine the issues from the employers' perspective, focusing upon their employment of older workers, concerns about the demographic changes and perceptions about older workers.

Chapter 5 looks at some of the human resource policies and practices employers have put in place relating to older workers. In particular, it provides some examples of good practice in relation to recruitment and selection, managing and providing for the needs and preferences of an older workforce, training provision and retirement policy.

At the end of the report we identify some issues arising from the research findings.

# 2. Characteristics of Older Workers

In this chapter we examine the characteristics of older workers. A key point to make at the outset is that older workers are not a homogenous group. However, this chapter identifies key trends and differences, relating to age and the workforce. It explores the nature and scale of the demographic changes, the position of older workers in the labour market and the skills and attributes they have to offer.

We begin by looking at the number of older people in the population, and population forecasts, using data from *Population Trends* and the *Labour Force Survey* (LFS). We then proceed to look at the economic activity rates of older workers over time, again using the LFS.[1] We consider self-employment, full-time versus part-time employment, and the industrial sectors and occupations in which we find older people working. Unemployment and inactivity are also examined. We then go on to look at qualifications and training of older workers. Finally, we briefly consider the relationship between sickness absence and age.

As well as drawing heavily from LFS data, we also make comparisons with an analysis of the national *Family and Working Lives Survey* (FWLS) conducted by McKay and Middleton (1998).

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[1] Our analysis of the LFS largely updates an article published in the *Employment Gazette* in April 1995, 'Older Workers: findings from the 1995 Labour Force Survey', by Christine Tillsley, which compares the Spring 1994 LFS data with the Spring 1987 and Spring 1992 LFS.

## 2.1 Age profile of the population and forecasts

The ageing of the population in Great Britain has been well documented (see, for example, Worsley, 1996; Rickard, 1998). The proportion of young people in the population is progressively falling as the proportion of older people is increasing fast. This has arisen out of two key changes: increases in life expectancy and changes in the birth rate.

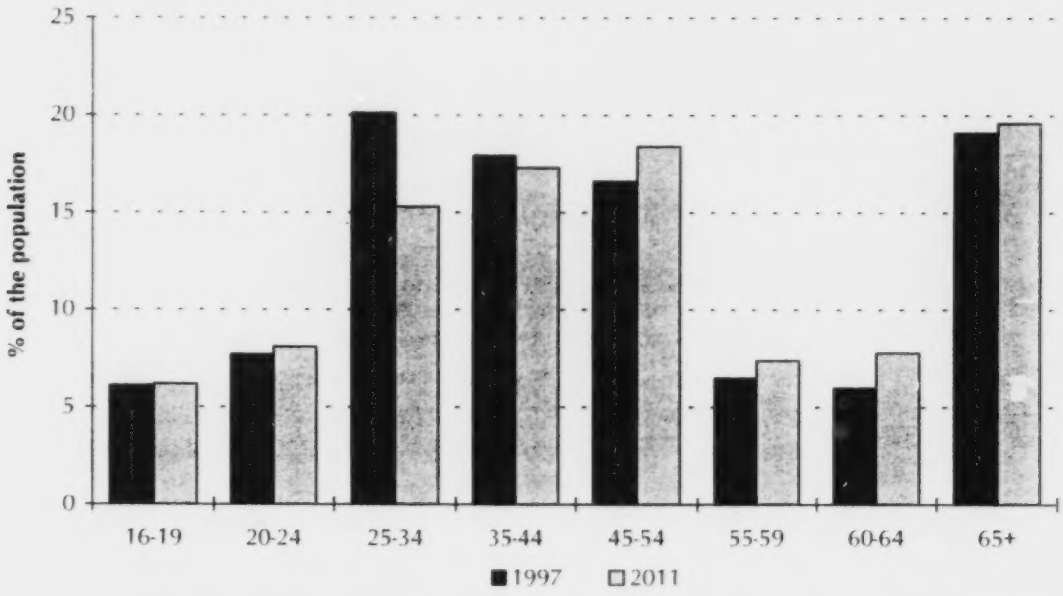
According to the Spring 1998 LFS, there were just over 18 million people in Great Britain aged 50 and above, which accounts for 32 per cent of the total population of all ages (this compares with just over 17 million in 1994). In 1998, approximately 9.8 million women and 8.2 million men were aged 50 and above. There were some regional variations in the proportion of older people in the population, with relatively more older people living in the South West (35 per cent) and in Wales (34 per cent) and relatively fewer in Inner London (29 per cent).

The population aged over 50 is forecast to continue to increase into the middle of the next century. By 2011, 35 per cent of the population in the UK will be aged over 55. A further 18 per cent will be aged between 45 and 55. Figure 2.1 shows the population forecasts broken down by age for the year 2011 and compares these data with data for 1997. The key points to note are outlined below:

- by 2011 there will be an additional 2.3 million people aged 55 and above compared to 1997
- an additional 1.3 million people will make up the 45 to 54 age group
- by 2011, those aged 55 to state pensionable age will account for 15 per cent of the population of working age (*ie* women aged 16 to 59 and men aged 16 to 64). Thirty-nine per cent of people of working age will be aged 45 to retirement age.
- conversely, there will be a decline of around 1.8 million of those aged 25 to 34 by the year 2011.

These demographic changes will have important implications for employers in terms of how they manage their workforces. Employers may need to consider strategies to attract and retain older workers in the labour force, if they are to sustain their businesses in the future.

**Figure 2.1: Estimates and projections of the household population in Great Britain, by age**




*Source: Labour Market Trends, June 1998*[1]

## 2.2 Economic activity

Despite the ageing of the workforce, the proportion of older people participating in the labour force is declining. In this section we consider economic activity rates, *ie* the proportion of the population of working age who are economically active. Economic activity is defined as being in employment or unemployed and actively seeking work, and therefore participating in the labour market.

Table 2.1 presents the economic activity rates according to the Spring 1998 LFS for both men and women, by age. From the age of 40 we can see a decline in the economic activity rates of both men and women. Indeed, the decline is most marked from the age of 50.

[1] Estimates and projections of the household population are taken from *Labour Market Trends* in June 1998, 'British Labour Force Projections: 1998-2011', by Bob Armitage and Mark Scott (see Table B, Page 295).

**Table 2.1: Economic activity rates as a percentage of population in age group — Great Britain, 1998**

| | All | Men | Women |
|---|---|---|---|
| All persons aged over 16 | 62 | 71 | 54 |
| 16 to 24 | 70 | 73 | 66 |
| 25 to 39 | 84 | 93 | 74 |
| 40 to 49 | 85 | 91 | 79 |
| 50 to 59 | 73 | 81 | 65 |
| 60 to 64 | 36 | 50 | 24 |
| 65 and over | 5 | 8 | 3 |

*Source: Labour Force Survey, Spring 1998*

A large differential in economic activity rates exists between men and women aged between 60 and 64. This can largely be explained by the fact that the state pension age for women is 60 compared to 65 for men. However, it should be noted that a far greater proportion of women are economically active post-state retirement age compared to men — 27 per cent compared to eight per cent of men.

Key points to note from British labour force projections (Armitage and Scott, 1998) are:

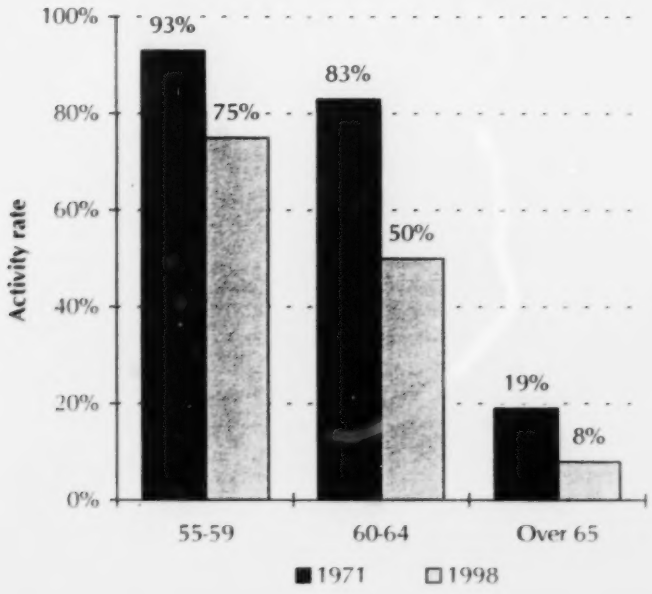
- by 2011, there will be an additional 2.3 million people aged over 45 who are economically active compared to 1997
- forty per cent of the total workforce will be aged over 45 in 2011, compared to 33 per cent in 1997.

### 2.2.1 Activity rates of older men

There has been a marked decline in labour force participation of older men in particular, over the last three decades. Whereas in 1971[1], 93 per cent of men aged 55 to 59 were either in work or actively seeking work, by 1998 this activity rate had fallen to 75

[1] The proportions for 1971, 1994 and 1998, which are reported, refer to Spring quarters of the LFS. Proportions from previous years (1971 and 1994) are taken from the article published in the *Employment Gazette* in April 1995, 'Older Workers: findings from the 1995 Labour Force Survey', by Christine Tillsley.

**Figure 2.2: Economic activity rates of older males in 1971 and 1998, in Great Britain**



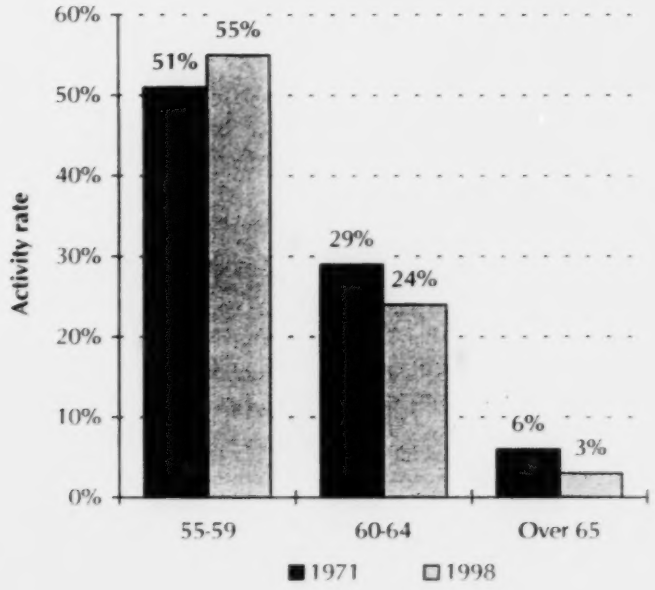

*Source: Labour Force Surveys, 1971 and 1998*

per cent. These changes in male activity are illustrated in Figure 2.2, which also shows a decline in labour force participation of men aged 60 to 64. Activity rates among men aged over 50 are expected to fall further between 1999 and 2011 (Armitage and Scott, 1998).

The use of early retirement policies during the recessions of the 1980s and early 1990s as a means of laying off workers has contributed to the decline in male participation (see Kohli *et al.*, 1991). Research by Trinder *et al.* (1992) suggests that the decline in male participation can also be attributed to the fact that older male workers have been taking up earlier advantage of pension opportunities where state and occupational pensions are both available to an individual. The reduced demand for unskilled workers and for workers in declining industries is also considered to be a contributory factor to the decline.

A study by Taylor and Walker (1993), examining the policies and practices of employers towards older workers, noted the incidence of early retirement policies. Two-fifths of the employers surveyed had a voluntary retirement policy. A common age of eligibility for these was found to be 50 for both men and women.

**Figure 2.3: Economic activity rates of older females in 1971 and 1998, in Great Britain**




*Source: Labour Force Surveys, 1971 and 1998*

### 2.2.2 Activity rates of older women

In contrast to men, there has been a rise in activity rates of older women over the last three decades. In 1971, 51 per cent of women aged 55 to 59 were economically active compared with 55 per cent in 1998 (see Figure 2.3). The trend is more complex for those aged over 60. There was a fall in activity rates for those aged 60 to 64, from 29 per cent in 1971 to 19 per cent 1987. However, the rate has since increased, reaching 24 per cent in 1998. As with men, there has also been a decline in the economic activity rates of those aged 65 and above. The overall increases in female participation in the labour force over the age of 50 may reflect at a household level a greater incentive for women to seek work if the man is economically inactive (Rickard, 1998). It could also be explained by the increasing number of women in their 50s who are single, separated or divorced.

## 2.3 Inactivity

We saw earlier (in Table 2.1) how activity rates declined with age and dropped dramatically for those aged 50 and above. Evidently the reverse is true for inactivity. According to the

Spring 1998 *Labour Force Survey*, 28 per cent of people aged between 50 and 59 were inactive. A recent report commissioned by the Employers' Forum on Age (EFA) raises concerns about the impact of these changes on the dependency ratio, *ie* the proportion of economically inactive people relative to the active, and the goods and services needed to support the growing elderly dependent population (Rickard, 1998).

If inactivity among these older age groups is a matter of personal choice, it could perhaps be considered less of a cause for public concern. There are clearly some people in the 50 to 64 age group who have taken the opportunity to retire early and have the economic means to enjoy their retirement. However, the EFA question whether this is the case for a large proportion of those older people who have withdrawn from the labour force. Rises in inactivity rates have been positively correlated with increased unemployment rates. Furthermore, changes in benefit regulations have provided a disincentive for men over 60 to register themselves as unemployed, and have thus encouraged them to declare themselves inactive. The EFA study concludes that much of the economic inactivity among older workers is in fact disguised long-term unemployment (Rickard, 1998).

The LFS collates information about the type of inactivity status of the respondent. For those aged between 50 and 64 the main reason given for inactivity is sickness or disability. A poignant question raised by the EFA report is: given the advances in medical science, why has the health of those aged between 50 and 64 apparently declined? (Rickard, 1998). The suggested answer relates to the worsening labour market conditions faced by older men, particularly those with less suitable skills, rather than a rise in objectively defined disability or illness.

A further possible implication of the ageing of the population might be an increase in people with caring responsibilities for elderly people. According to the Spring 1998 *Labour Force Survey*, 15 per cent of the inactive had withdrawn from the labour force because they were looking after the family and home. These data provide little evidence to suggest that this was a particular reason for inactivity among older people. However, previous research has found that inactive women are more likely than men to provide care for adults. According to McKay and Middleton's analysis of the Family and Working Lives Survey, two-thirds of the inactive population providing

care to adults were women and just over three-quarters of these carers were aged 40 and over (McKay and Middleton, 1998).

McKay and Middleton (1998) also identified a number of key findings with respect to inactivity:

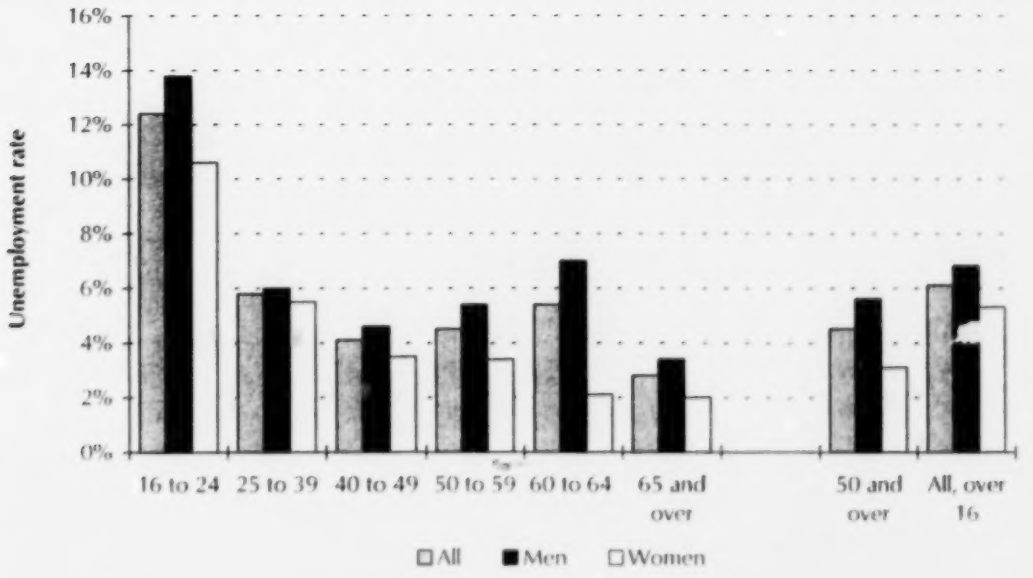
- prior to state pension age, there is a growing number of people retired or who are prepared to describe themselves as semi-retired
- the age at which people expect to retire declines with successively younger age groups, *ie* the value created by the active population to support the dependent elderly population will need to further increase
- men are slightly more likely than women to have a health problem. The proportion of people with a health problem is found to rise with successively older age groups.
- the chances of leaving inactivity to take up paid work falls significantly for men after the age of 50, and for women after the age of 40.

The study commissioned by the EFA looked at the national economic cost of not making use of older workers who would like to be in work but who are not (Rickard, 1998). According to this study the majority of inactive people aged 50 to 64 would actually like to be in work. Rickard calculated the annual cost to the economy of not making use of this untapped resource as being £26 billion. This figure is based on a calculation of the output lost as a result of unemployment and on the assumption that the employment of older people will not displace younger workers. Given the fact that the profile of the population is ageing, together with the tightening of labour markets in most industries, one may well ask why employers are not making full use of this pool of labour.

## 2.4 Unemployment

In contrast with inactivity, unemployment rates among older people tend to be lower compared with other age groups. As noted above, this can in part be explained by some disincentives within benefit regulations for older people to declare themselves as unemployed, or that older people are less likely to be eligible for unemployment benefit as they are receiving income from other sources.

**Figure 2.4: ILO unemployment rates as a percentage of labour force, by age and by gender — Great Britain, 1998**




*Source: Labour Force Survey, Spring 1998*

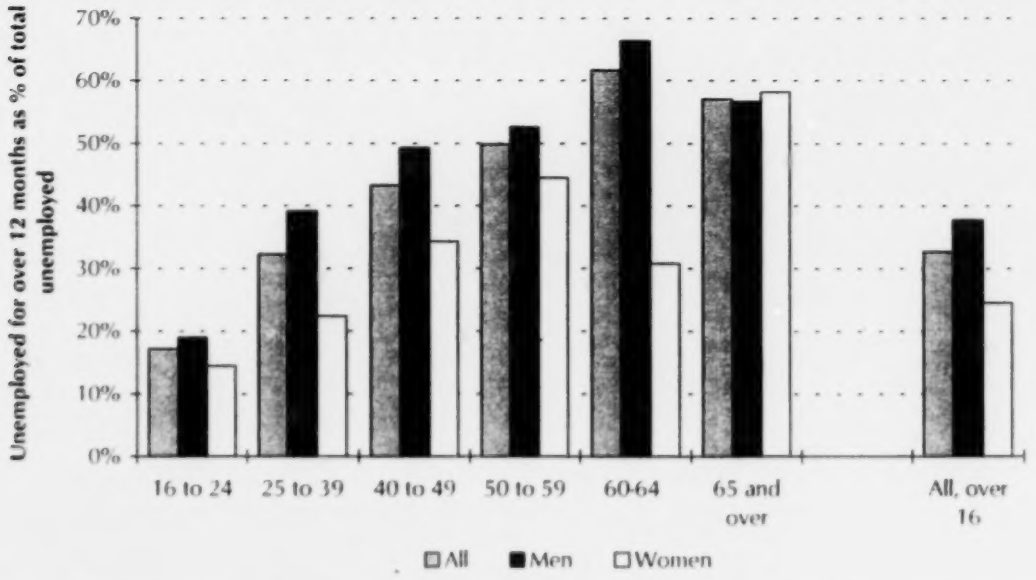
Figure 2.4 shows the unemployment rate as a percentage of the labour force, by age and by gender. The definition of unemployment used here is the International Labour Organisation's (ILO)[1] definition.

It is clear from Figure 2.4 that:

- younger people (aged 16 to 24) are the most likely to be unemployed than any other age group
- men are more likely to be unemployed than women, for all age groups
- older men (aged 50 and above) are less likely to be unemployed than younger men (aged below 50). However, looking closer at the age breaks we can see that men aged 60 to 64 are more likely to be unemployed than younger men (aged 25 to 59)

[1] The International Labour Organisation's (ILO) definition of unemployment refers to those people who are without a job and were unavailable to start work within two weeks or were waiting to start a job they had already obtained.

**Figure 2.5: Unemployed for one year or more as a percentage of ILO unemployed, by age and by gender — Great Britain, 1998**




*Source: Labour Force Survey, Spring 1998*

- older women are less likely to be unemployed than younger women. Indeed, the proportion of women unemployed declines with each successive age group.

Although we saw in Figure 2.4 that older workers (those aged 50 and over) are less likely to be unemployed than their younger counterparts, we can see in Figure 2.5 that once they become unemployed they remain unemployed for longer than younger workers do. Figure 2.5 shows the proportion of people who were unemployed and out of work for 12 months or more as a percentage of those people who were ILO unemployed. We can see that the proportion of men who have been unemployed for a year or more is higher for almost all age groups compared to women. This suggests that older men who have been out of work for extended periods of time experience particular difficulties obtaining work. We consider some of the barriers to gaining employment experienced by older workers, in Chapter 4.

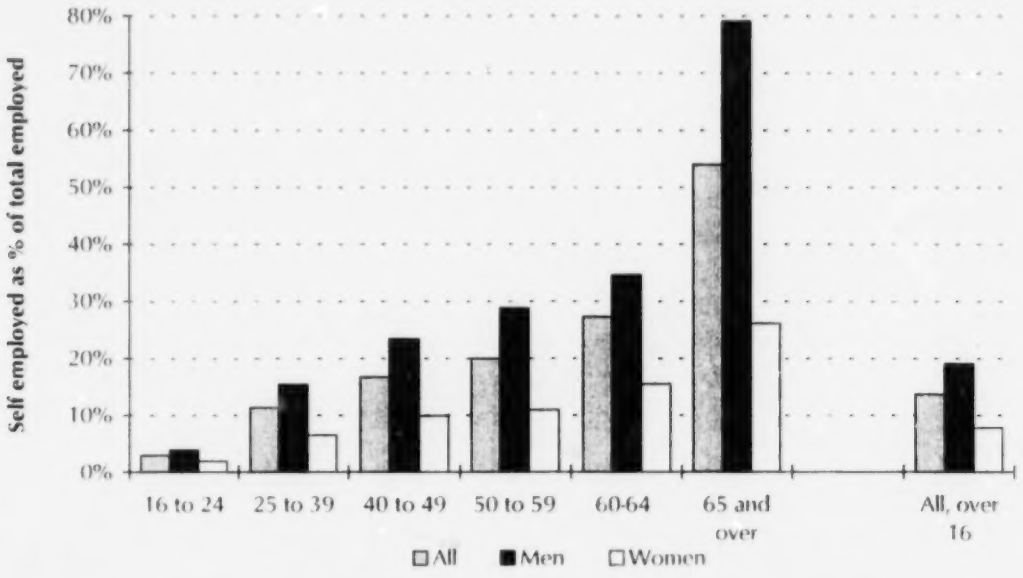
The analysis undertaken by McKay and Middleton (1998) identified the following key findings with respect to older people and unemployment:

- older claimant unemployed people were less likely to search intensively for work and were found to use fewer job search methods than younger unemployed claimants. Older unemployed people were less likely to use informal job search methods and less likely to use Jobcentre displays.
- there was no difference to be found between the types of jobs that older people and younger unemployed claimants would accept. Temporary work was found to be slightly more acceptable to the older unemployed people than the younger unemployed.
- with respect to hours of work, those aged 50 and above were more likely to want to work less than 30 hours and less likely to want to work more than 48 hours per week, than t' eir younger counterparts.

## 2.5 Self employment

Having considered the position of older people who are out of work, we now turn to look at the characteristics of those in employment. Figure 2.6 shows the proportion of those in employment (*ie* employed or self employed) who are self

**Figure 2.6: Proportion of those in employment who are self employed — Great Britain, 1998**




*Source: Labour Force Survey, Spring 1998*

employed. It is clear that older people are more likely to be self employed than younger people. It is also evident that men are more likely than women to be self employed, although there is a marked increase in the proportion of men and women who are self employed after the age of 64.

McKay and Middleton (1998) found that self employment was more common among men over the age of 55 and women over 60. Evidently, self employment can offer an opportunity for older workers to remain in work and make use of their skills and experience post retirement.

An analysis of the LFS of self employment by industry shows that older self employed people are more likely to work in the service and distribution sector and in agriculture forestry and fishing than their younger counterparts. Self employment in the production sectors declines with age.

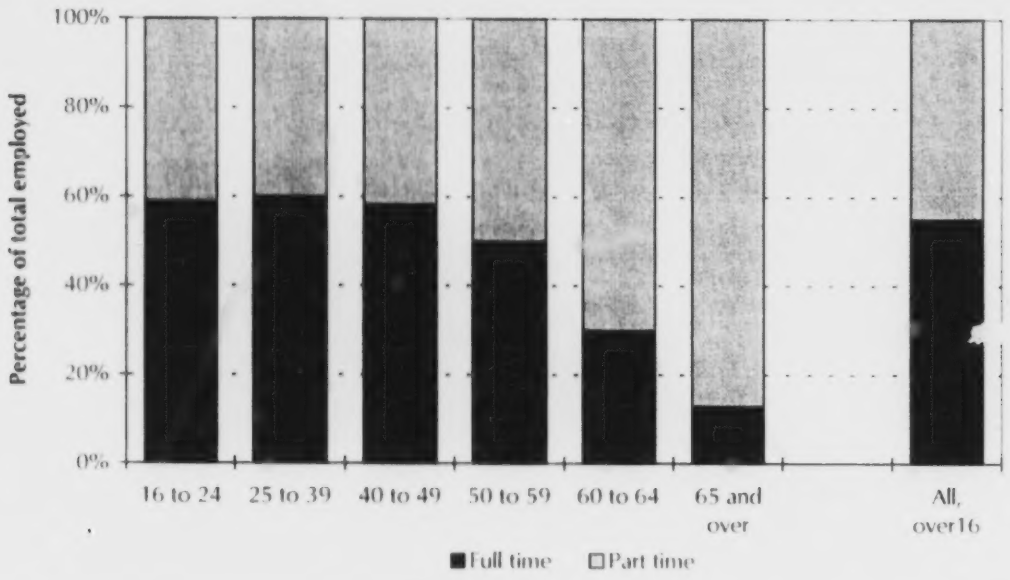
Recent research conducted by Barclays Bank (Dunn, 1999) has found that about ten per cent of all small businesses starting up each year are start-ups by people over 50. These businesses tend to have a higher survival rate than those of younger people. This survey found that the main reasons older people gave for starting up their own businesses is where they had lost their jobs or had been made redundant. Other reasons included to provide job satisfaction and a desire to have more freedom in their work than they would have working for someone else.

## 2.6 Full-time and part-time working

It is well established that women are more likely to work part time than men. According to the Spring 1998 *Labour Force Survey*, 45 per cent of employed women worked part time compared with nine per cent of men. Our analysis shows that part-time employment is also higher for those aged over 50 than for younger people.

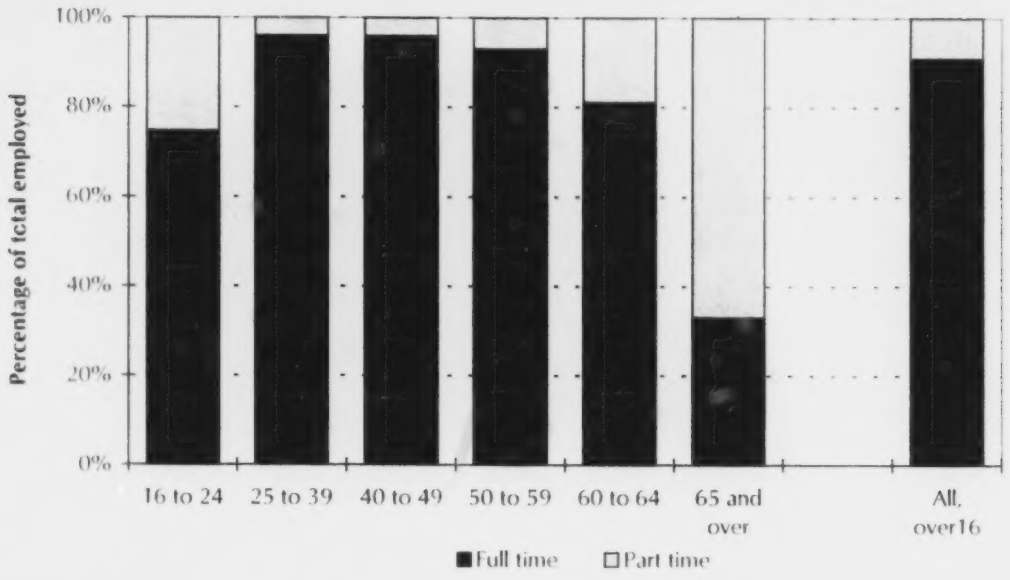
We can see in Figure 2.7 that the proportion of women working part time increases steadily, on the whole, with age (except for the 25 to 39 group where there is a slight fall). With respect to men, part-time employment increases over the age of 50, as shown in Figure 2.8. Our findings from the LFS are comparable to those of McKay and Middleton's analysis of the FWLS (1998) who also examined full-time and part-time work by age. They

**Figure 2.7: The proportion of women in full and part-time employment by age — Great Britain, 1988 (per cent)**




*Source: Labour Force Survey, Spring 1998*

**Figure 2.8: The proportion of men in full and part-time employment by age — Great Britain, 1998**




*Source: Labour Force Survey, Spring 1998*

noted that the peak age band for full-time work was the late 20s to the late 40s, with around 80 per cent working full time. After the age of 60, they noted a steep increase in part-time work. They also found that a greater proportion of women worked part time compared to men and that part-time work for women aged 50 and over was more common than full-time work.

According to the LFS, there has been an increase in part-time employment as a proportion of all employment for both men and women aged over 60 in recent years. In view of the fact that it is predicted that there will be continued growth in non standard employment such as part-time and self employment, these findings indicate that older workers appear to be well placed to take up such work. However, the Carnegie Inquiry into the Third Age raised concern that these were jobs which were likely to be low skilled and poorly paid (Carnegie UK Trust, 1993). It reported that older workers would not achieve their maximum potential contribution to the economy if they were employed in such low valued added work.

## 2.7 Employment by industry and occupation

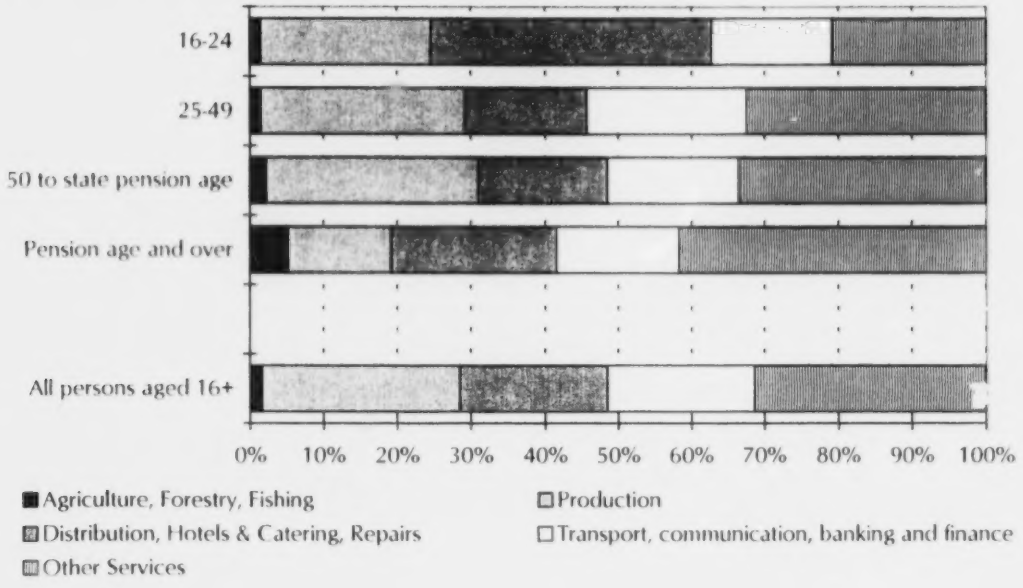
We now turn to consider the sectors and occupations in which older workers are employed.

### 2.7.1 Industry

Examining Figure 2.9, we can see that older workers are more likely to work in agriculture, forestry and fishing as well as other services, compared with their younger counterparts. Other services include the sectors of public administration, education and health, as well as other community, social and personal service activities. Those in their 50s are less likely to be employed in banking, retail, hotel and catering than younger workers, and slightly more likely to work in the production industries. However, post-retirement age employment in distribution, hotels and catering among older workers increases, as employment in production decreases.

Analysis of these data by gender shows that ten per cent of men working post retirement age are employed in the agriculture, forestry and fishing sector. Although a slightly higher proportion of men in their 50s work in the production sector

**Figure 2.9: Employment by industry of all in employment — Great Britain, 1998**




*Source: Labour Force Survey, Spring 1998*

than other age groups, it appears that older men are less heavily represented in declining industrial sectors since the shake-outs of the 1980s. As such, in terms of their sector of employment, male older workers now appear to be less vulnerable to the effects of economic restructuring than they were in the late 1980s. Over half of women aged over 50 work in the other services sector, but less than ten per cent of women in their 50s are employed in banking and finance.

### 2.7.2 Occupation

Analysis of employment by broad occupational group shows little variation according to age. Those aged over 50 are, however, more likely to be employed in managerial and professional occupations than younger workers, having reached these positions as they near the end of their career. According to the LFS, in 1998 36 per cent of workers aged over 50 were employed in these positions, compared to 29 per cent aged 16 to 49.

Similarly, according to McKay and Middleton's analysis of the FWLS (1998), the most common occupation classification of men aged 45 and above was managers. However, the proportion

describing themselves as managers was lower for those aged 60 and over. This study also noted that the proportion of men working in clerical occupations rose with age as well as in 'other occupations' such as porters, labourers and shelf-fillers. Beyond state pension age men were most likely to be in personal and protective services occupations. It was also found that women workers aged 60 to 64 were likely to be employed in 'other occupations' such as cleaning. In addition, women aged 60 to 64 were often found in selling occupations.

## 2.8 Training and education

### 2.8.1 Training

Research by Thompson (1991) suggests that employers have not been giving older workers the same opportunities to train as younger workers. This research found that 58 per cent of private sector employers referenced 'lack of appropriate skills' as limiting the recruitment and promotion of older workers. However, the same piece of research also found that only 16 per cent of employers were providing training for them.

Similarly, a survey conducted by the Institute of Management of their members found that 40 per cent of those aged over 55 had received no training at all in the previous 12 months, compared with 18 per cent of those aged under 35 (Arrowsmith and McGoldrick, 1996). Even when taking account of the training needs of junior staff, this research found a negative partial correlation between age and the amount of training received. This study concluded that early retirement schemes, lower recruitment of older workers, as well as delayering within organisations has led to fewer training and development opportunities for older workers.

The Employer's Forum on Age found that the proportion of older people receiving training is even lower. According to their research only seven per cent of those aged between 55 and pension age are receiving any job related training (Employers' Forum on Age, 1999).

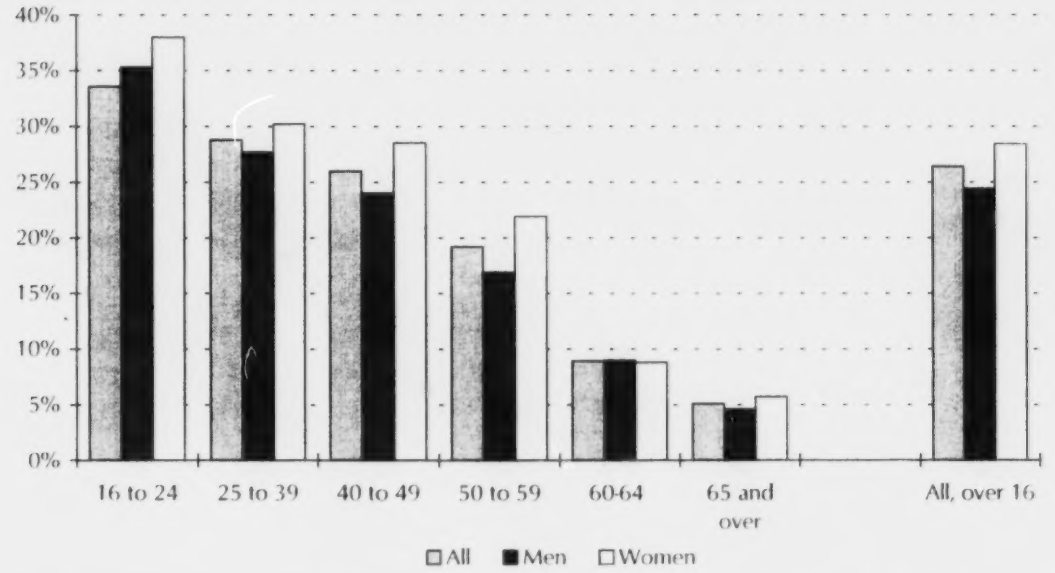
The reason for this lack of investment in training may well be a belief amongst employers that it is not worth or not necessary to train older workers, in terms of the payback they will get from older workers. It might also be perceived that older

workers have reached the peak of their careers and therefore do not require further training. However, the Institute of Management warns that the lack of training received by older workers may be short-sighted and counterproductive. It may well lead to increased demotivation and stagnation among this group of employees (Arrowsmith and McGoldrick, 1996).

Our analysis of the 1998 Spring LFS also suggests that older people are less likely to have received training than younger people. Figure 2.10 presents the proportion of people responding positively to a question about whether or not they have taken part in any education or training which was connected with their job, or a job that they might be able to do in the future over the last 13 weeks. It is clear that the proportion undertaking education or training declines with each successive age group. Only 17 per cent of those aged 50 and above have undertaken education or training in the last 13 weeks compared with 29 per cent of those aged below 50.

In relation to training received by older age groups, McKay and Middleton (1998) drew the following conclusions from their analysis of the FWLS:

**Figure 2.10: Whether respondent has received training or education over the last 13 weeks, by age and by gender — Great Britain, 1998**




*Source: Labour Force Survey, Spring 1998*

- no-one over the age of 59 had received a month-long employer paid course. It also appeared that the training which those aged 50 plus had undertaken took place a significant number of years ago. Indeed, the most recent training course that they had undertaken took place when they were in their mid-twenties.
- older workers were found to be more likely to be still in employment where they had received a month-long employer paid course than those who had not
- the more recently that workers of all ages had received a long period of employer-paid training, the more likely it was that they were still in employment.

### 2.8.2 Qualifications

Older people are generally less well qualified than their younger counterparts. Analysis of LFS data on qualifications by age shows that a higher proportion of older people aged over 50 have no qualifications (25 per cent) compared to those under 50 (ten per cent). In addition, as shown in Table 2.2, a higher proportion of older people have attained below 'O' level standard as their highest educational attainment than younger people. The differences in the proportions of older (over 50) and younger people (below the age of 50) who have attained 'A' level (or its equivalent) or degree level or above, are less marked.

**Table 2.2: Highest qualification attained by age — Great Britain, 1998 (row percentages reported)**

| | Degree level or above | 'A' level or equivalent | 'O' level, GCSE (A-C) or equivalent | Below 'O' level | No qualifications |
|---|---|---|---|---|---|
| 16 to 24 | 15 | 37 | 31 | 10 | 8 |
| 25 to 39 | 29 | 28 | 21 | 14 | 7 |
| 40 to 49 | 28 | 27 | 15 | 15 | 15 |
| **Below 50** | **26** | **29** | **21** | **14** | **10** |
| 50 to 59 | 22 | 25 | 12 | 18 | 22 |
| 60 to 64 | 18 | 26 | 9 | 17 | 31 |
| 65 and over | 21 | 20 | 7 | 16 | 37 |
| **Above 50** | **21** | **25** | **11** | **18** | **25** |
| *All aged over 16* | *25* | *28* | *19* | *15* | *13* |

*Source: Spring 1998 Labour Force Survey*

However, again, older people were less likely to have attained this level of educational achievement compared with those below the age of 50. Older women are more poorly qualified than older men.

McKay and Middleton (1998) also looked at education and training programmes with respect to job prospects. In the FWLS, respondents defined the skills and competencies which they believed they had, themselves. The following key findings were identified with respect to skills and qualifications:

- Older workers were found to be less likely to be able to speak a foreign language or be confident about word processing or typewriting than younger workers, and therefore perhaps less able to cope with changes such as the introduction of new technologies and the globalisation of the economy. However, they were to be just as competent as younger workers in having a range of basic skills.
- Older workers were found to be less likely to have acquired their skills through any employer-paid training, and more likely to have acquired it through previous job experience.
- Only a small proportion of older workers held first degrees: seven per cent of women and five per cent of men. Those with higher qualifications were more likely to be in paid employment than those without.

A further point to note from the LFS is those people currently in the 40 to 49 age group who will reach their 50s during the next decade, represent a more highly qualified cohort of the population. This suggests that the lack of skills and qualifications amongst the over 50s might become less of an issue in future.

## 2.9 Absence from work

It is somewhat difficult to look at the relationship between age and absence from work in isolation, as evidently a number of factors such as gender and employees' attitudes will also have an effect on employees' absences. Despite this, we briefly look at the existing evidence with respect to older workers and absences and also analyse data from the LFS.

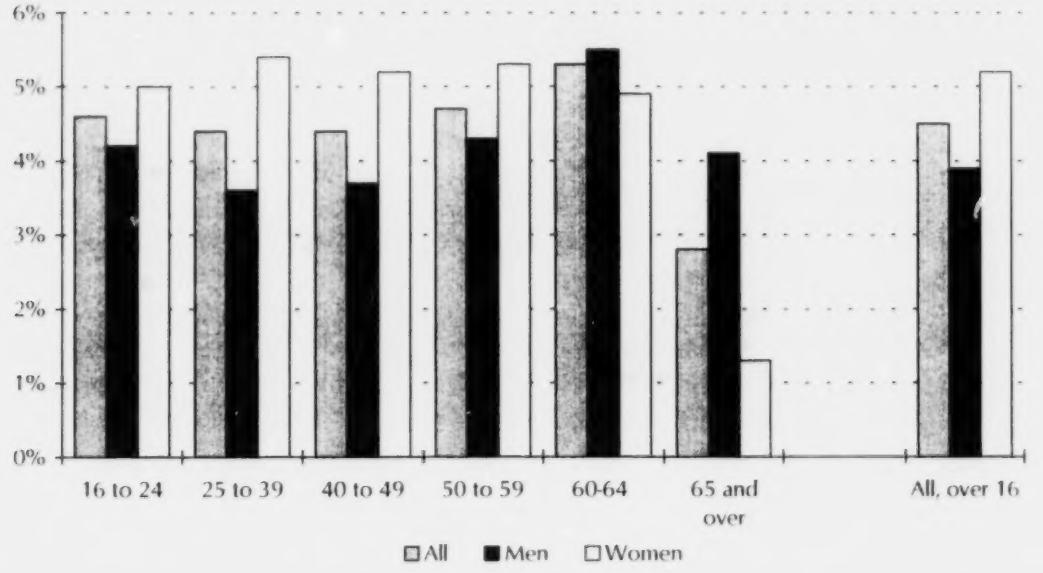
Johns (1997) reviewed the research literature on absence from work over the previous 15 years. Whilst reviewing the models which correlate demographic variables with age, he looked at

the relationship between age and tenure, and absenteeism. Looking at two key studies in this area by Martocchio (1989) and Hackett (1990) he concluded that younger men appeared to have higher levels of frequency and attitudinal absences than others. Johns considered that this negative relationship between age and absence which existed among men could be explained by greater job satisfaction among older workers, greater off-the-job distractions among younger workers and habituation to work. For women, there did not appear to be a relationship between absence and age.

Turning now to the analysis of the LFS with respect to absenteeism, respondents within the LFS are asked whether they have had any time off sick during the last reference week. Figure 2.11 shows the proportion who were employed responding 'yes' to this question, broken down by age and gender. It is clear that sickness absence does not differ significantly with the age of the employee, although, between the ages of 25 and 64 we can see a positive relationship between age and sickness absence.

Looking at this relationship disaggregated by gender, we can see that with the exception of the over 60s, the proportion of

**Figure 2.11: Sickness absence by age and by gender — Great Britain, 1998 (the proportions reflect those responding 'yes' — they were off sick in the last reference week)**




*Source: Spring 1998 Labour Force Survey*

women off sick in the last reference week is higher than men for all other age groups. Sickness absence is highest among women aged 25 to 39 (which may relate to childcare and sickness of their children and dependants) and men aged 60 to 64. This analysis, however, does not distinguish between occupations or between long- and short-term absences and it is here that the key differences occur in terms of age, according to employers participating in our research. Analysis of recent absences among the workforces of three of these employers has shown that shorter term and self-certificated sickness absence decline with age. This confirms research conducted by the Institute of Management which found that although the incidence of long term absence increased with age, short-term absences declined (Arrowsmith and McGoldrick, 1996).

## 2.10 Productivity

It goes beyond the scope of this study to consider the productivity of older workers compared to other age groups. Clearly, for any analysis of productivity there will be a range of factors to take into account, such as the nature of the work and measures of productivity that would need to be carefully considered. However, anecdotal evidence from Nationwide shows no difference between older and younger workers. The age of financial consultants working for the company ranges from 20 to 61. Nationwide have found that older financial consultants bring in just as much business as younger workers (Employers' Forum on Age, 1998). One of the retailers participating in our research had found that profit sales shrinkage improved with age. Another, however, had found that older workers were scoring lower on their performance indicators than their younger counterparts, although this may have more to do with managers' perceptions of older workers than real differences.

Other research has found that although physical and mental efficiency may decline with age, this deterioration is small, it may be compensated by experience and does not necessarily affect work performance. Many workers do not need to perform to the peak of their capacity. Furthermore, variations in productivity are as likely within age groups as between them (Industrial Relations Services, 1993, Casey *et al.*, 1993, Worsley, 1996).

## 2.11 Summary

By 2011, 35 per cent of the population will be aged over 55. A further 18 per cent will be aged between 45 and 55. Conversely, it is predicted that by 2011 the proportion of the population aged between 25 and 34 will decline.

In this chapter we identified a number of key labour market characteristics with respect to older workers:

- The economic activity rates of both men and women decline markedly from the age of 50. In addition, over the last three decades there has been a decline in economic activity rates of older men, whilst the economic activity rates of older women, specifically those aged 55-59, have been rising.
- While older workers are less likely to be unemployed than younger workers, once they become unemployed they are more likely to remain unemployed for longer compared to younger workers.
- In 1998, 65 per cent of those aged 50 and over were inactive. Research by the Employer's Forum on Age (EFA) indicates that many of these people would actually like to be in work.
- Older workers are more likely to be self employed than younger workers, and are also more likely to be employed part time than their younger counterparts.

Older workers are less likely to have received training than younger workers. In 1998, only 17 per cent of those aged 50 plus had received training in the last 13 weeks, compared with 29 per cent of those aged below 50. This data from the LFS confirms the findings of a number of previous studies.

Analysis of the Spring 1998 LFS suggested that sickness absence does not differ significantly with the age of the employee. However, research on absenteeism reviewed by Johns (1997) indicated that a negative relationship existed between age and absenteeism among men. Reasons given for this relationship were greater job satisfaction among older workers, greater off-the-job distractions among younger workers and habituation to work. Our research with employers has shown that short-term or self-certificated absence declines with age.

Given the ageing profile of the population and the tightening of labour markets faced by employers in most industries, one may

well question why employers are not making use of this untapped resource. It would seem that employers will need to think about the implications of the demographic changes outlined above for human resource policies and practice, and in particular may need to consider policies, which will attract and retain older workers.

# 3. Older Workers' Attitudes, Preferences and Needs in the Workplace

The demographic changes outlined in Chapter 2 suggest that there are likely to be fewer younger people in the workforce for employers to draw from over the next decade. If this is the case, employers will need to consider how to attract, manage and accommodate the available older workforce. They will also need to consider the needs and preferences of an older workforce.

As with other groups, older workers are clearly not a homogenous group. There are many different kinds of older workers, each with varying attributes and experiences. Differences may be as likely within age groups as between different age groups. This point notwithstanding, in this chapter we consider whether there are any variations in attitudes to work by age, and any needs and preferences in the workplace which older workers are more likely to have than younger people.

We begin by examining older workers' attitudes to work drawing from the 1996 *British Social Attitudes (BSA) Survey.*[1] This is the latest publicly available survey in a series of surveys, which began in 1983. The *British Social Attitudes Survey* series is designed to monitor trends across a range of social attitudes including labour market participation. Drawing from this source,

[1] These data were made available to us through the Data Archive at Essex University. The original depositors of the survey data are Social Community Planning and Research (SCPR), London. The analyses presented in this chapter were conducted in-house at IES. Hence, we would like to stress that neither SCPR nor the Data Archive are responsible for these analyses, nor the interpretation presented here.

we consider in some detail employees' attitudes to their current job as well as their reasons for work, both disaggregated by age. Finally, we look at hours of work, specifically older workers' attitudes to working hours, and what hours they would like to work.

In the second part of the chapter we turn to look at the needs and wishes of employees in the workplace. This analysis is drawn from a review of the existing literature and our discussions with employers.

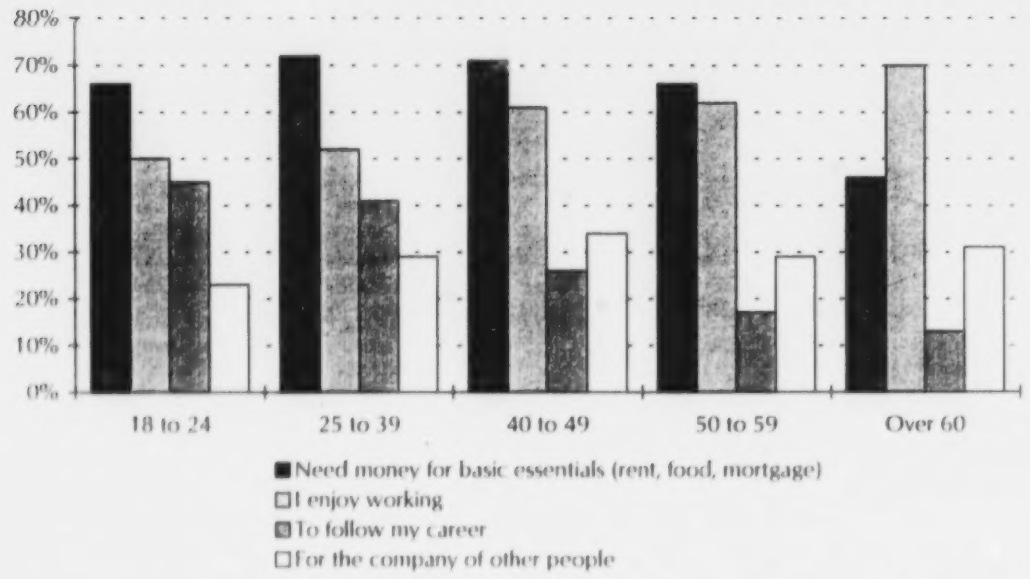
## 3.1 Attitudes to work

### 3.1.1 Reasons for working

Our analysis shows that there is some variation in reasons given for working between different age groups. Respondents to the 1996 BSA survey were given a series of statements and asked to state which best described their reasons for working at present. Figure 3.1 presents four of the reasons given by different age groups. These were reasons which showed most variation by age. Looking at the results in Figure 3.1 we can see that:

- 'needing money for basic essentials' was relatively the most important to all respondents, except for those aged 60 and over. As noted by one employer participating in the research, many employees in their 50s still had heavy financial commitments such as mortgages, and could still have financially dependent children.
- a key variation by age was that older workers were far more likely to have reported that they were working because they 'enjoyed working' compared with the youngest age group. For those aged over 60 this was the most commonly cited reason for working.
- working for the company of other people shows some variation by age. The youngest age group was least likely to have stated that they were working for the company of other people (less than a quarter) compared with just over one-third of those aged 40 to 49, and around three-tenths of those aged 50 and over.
- older workers were less likely to have reported that they were working in order to follow their career than younger workers were. In fact, we can see in Figure 3.1 that there is a dramatic fall in the proportion of respondents citing this as a reason

**Figure 3.1: Statements best describing the respondents' own reasons for working at present, by age**




*Source: British Social Attitudes Survey 1996*

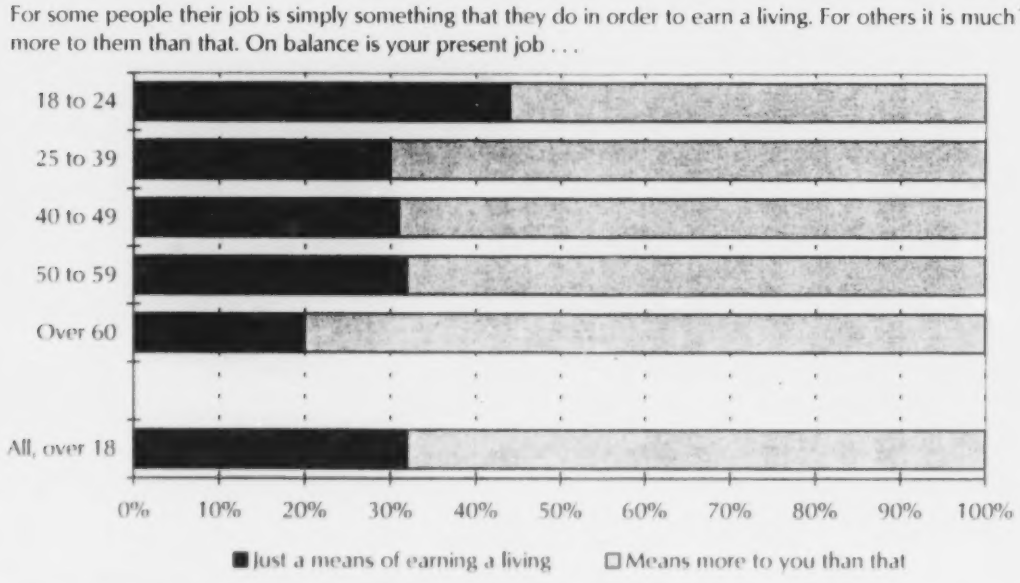
from the age of 40. This might be because older workers have achieved their career aspirations. However, recent IES consultancy work has found that older workers still aspire to have career development opportunities.

We also looked at the responses to the question about the respondent's own reasons for working, by age and by gender.[1] We noted the following differences between men and women in their responses to this question:

- Across all age groups, men were more likely than women to have cited 'needing money for basic essentials' or 'following their career' as reasons for working at present.
- Women, on the other hand, were more likely to have reported that they were working for 'the company of other people,' because they 'enjoy working' and as 'a change from their children and housework', compared to men. This is something which is likely to vary by occupation.

[1] For each question we also conducted analyses by age and by gender. We have reported the key differences.

**Figure 3.2: Attitudes to current employment, by age**




*Source: British Social Attitudes Survey 1996*

### 3.1.2 Attitude to current job

Figure 3.2 reports responses to a question in the 1996 BSA survey, by those in paid work,[1] about their attitude to their present job. This shows very little variation according to age between the ages of 20 to 60. However, those over 60 clearly have a different orientation to work.

We can see that respondents aged 18 to 24 were the most likely to have reported that their job was just 'a means of earning a living', while those aged 60 and over were most likely to have said it 'means much more' to them than that. Indeed, 80 per cent of respondents aged 60 and over considered that their job meant more to them than simply earning a living, compared with 56 per cent of respondents aged 18 to 24. Workers aged 25 to 59 were similar in their responses to this question. About seven-tenths of this group stated that their job meant more to them than just a means to earning a living.

[1] Here, we present the responses to the question about attitudes to employment by those in paid employment only. Paid employment is defined as those in paid work (or away temporarily) for at least ten hours in a week.

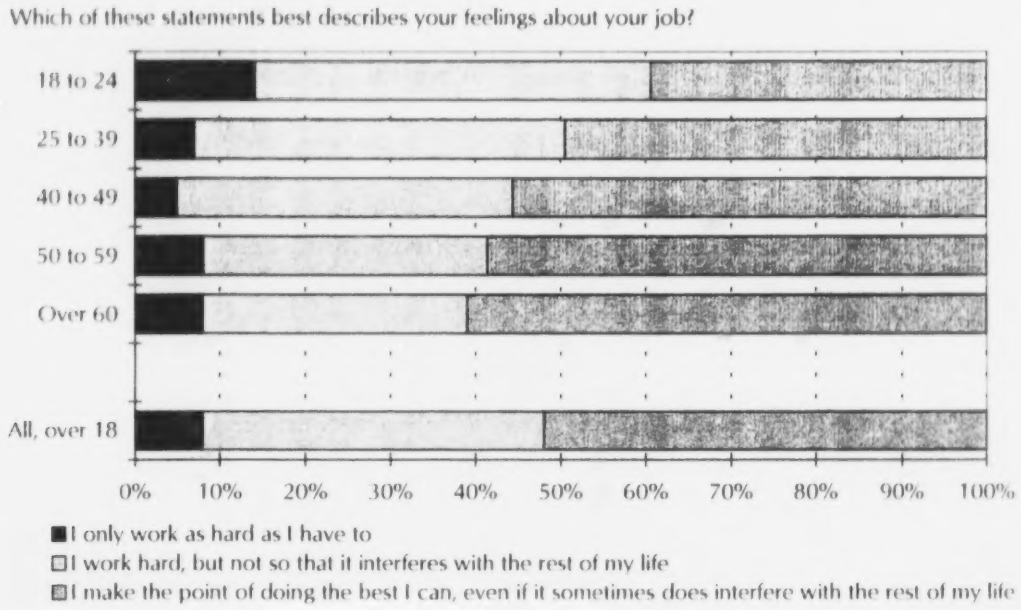
We found that the distribution of responses was broadly similar across age groups for men and women, although we did note that younger men were more likely to have said that their job was 'just a means of earning a living' than younger women.

### 3.1.3 Work commitment

A common assumption about older workers is that they are more committed to their work than young people. Some of the findings from the BSA survey seem to bear this out. Respondents who were in paid work were asked to choose out of three statements which best described their feelings about their job. It is clear from Figure 3.3 that the majority of older employees are very committed to their work. As we can see, they were the most likely to state that they 'do the best they can, even if it interferes with the rest of their life'. Moreover, nearly three-fifths of those aged 50 and over would 'do the best they can', compared to just under two-fifths of those employees aged 18 to 24.

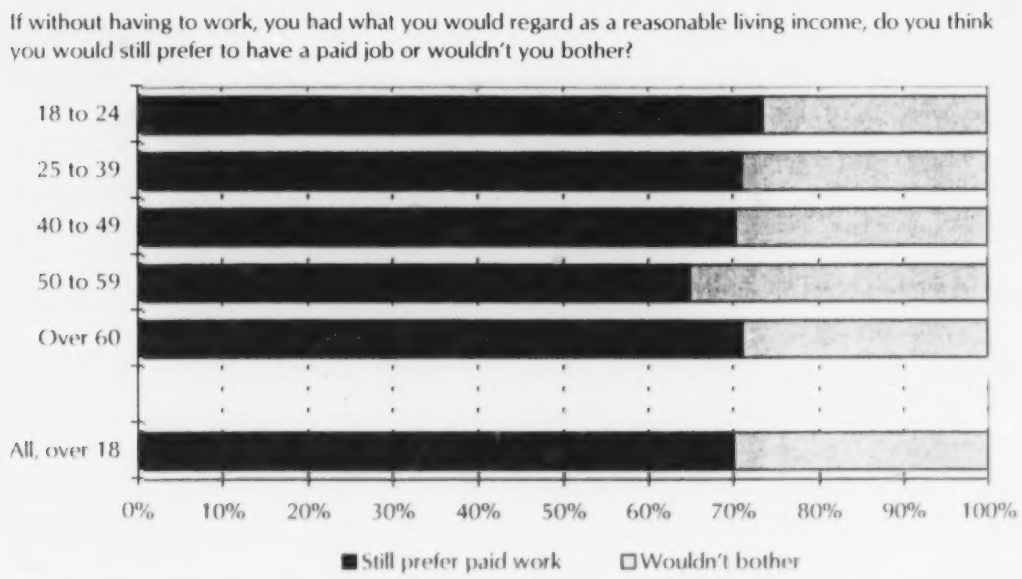
As before, we also looked at the responses to this question by age and by gender. We found that men of all ages were more

**Figure 3.3: Attitudes to work, by age**


Which of these statements best describes your feelings about your job?
18 to 24
25 to 39
40 to 49
50 to 59
Over 60
All, over 18
0%
10%
20%
30%
40%
50%
60%
70%
80%
90%
100%
I only work as hard as I have to
I work hard, but not so that it interferes with the rest of my life
I make the point of doing the best I can, even if it sometimes does interfere with the rest of my life

*Source: British Social Attitudes Survey 1996*

**Figure 3.4: Commitment to work, by age**



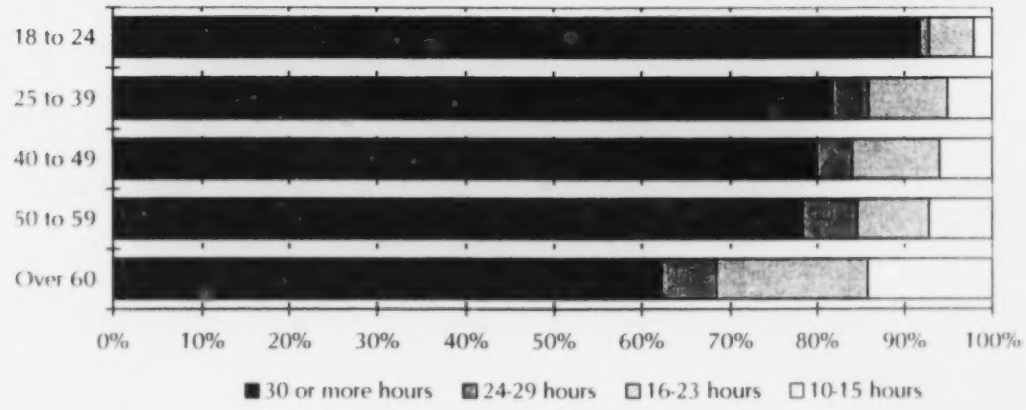

*Source: British Social Attitudes Survey 1996*

likely to have responded that they 'only work as hard as they have to', compared to women.

Respondents in employment were also asked if, without having to work, they had what they would regard as a reasonable living income, would they still prefer paid work or wouldn't they bother? Figure 3.4: shows that the youngest age group were the most likely to have responded that they would still prefer paid work (72 per cent) and those aged 50 to 59 were the least likely to prefer still having a job. This may indicate that many workers in this older age group would like to retire if they had the financial means to do so.

Analysing the responses to the question on commitment to work by gender and by age, we found that women were slightly more likely to have responded that they would still prefer to be in paid work than men (71 per cent of women compared to 66 per cent of men). This was the case for all of the age groups with the exception of the youngest age group, where women were slightly less likely than men to prefer to be in paid work even if they had a reasonable income without having to work.

**Figure 3.5: Hours respondents normally work, by age**




*Source: British Social Attitudes Survey 1996*

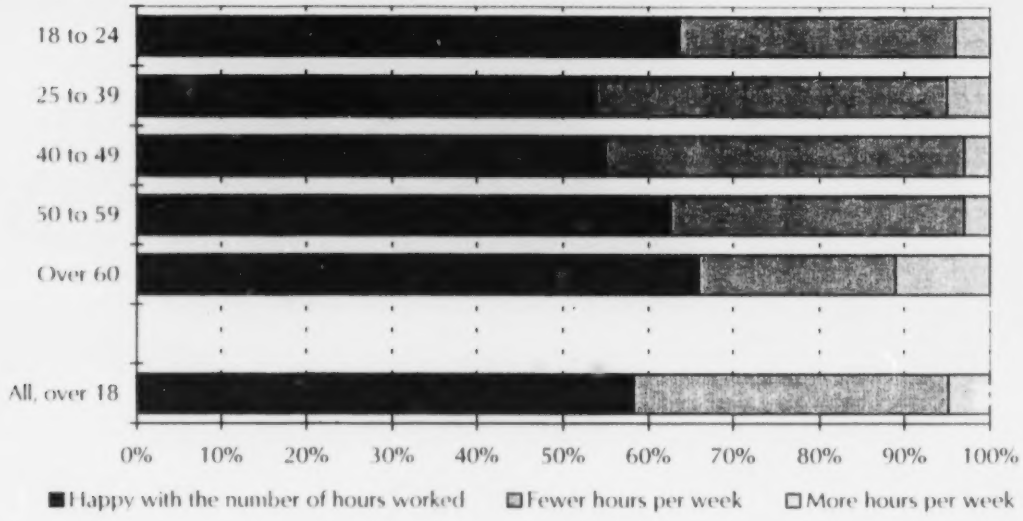
## 3.2 Working hours

We have already shown in Chapter 2 that part-time working increases with age. Here we consider preferences in relation to working hours. Figure 3.5 reports the hours of work which employees normally work, according to the 1996 BSA survey. It is clear that older workers are more likely to be working less than 30 hours a week, compared with younger employees.

Respondents were also asked whether they would prefer a job where they worked more hours, fewer hours or whether they were happy with the hours they currently work. Figure 3.6 shows the hours employees would prefer to work, by age. Here, we see that the majority of employees (57 per cent) appeared to be content with the hours they were currently working. It is also clear that a higher proportion of older employees were happy with their hours of work, compared with younger workers. Only five per cent of all employees would prefer to work more hours. Employees aged 60 and over were more likely to have responded that they would like more hours (11 per cent), compared with younger employees. The BSA survey also showed that men worked longer hours than women and were more likely to want to work fewer hours.

Respondents who had stated that they would prefer shorter hours were then asked to state how they would like their hours shortened. Looking at Figure 3.7, it is clear that older workers (71 per cent of those aged 50 and over) were most likely to have

**Figure 3.6: Hours respondents prefer to work, by age**

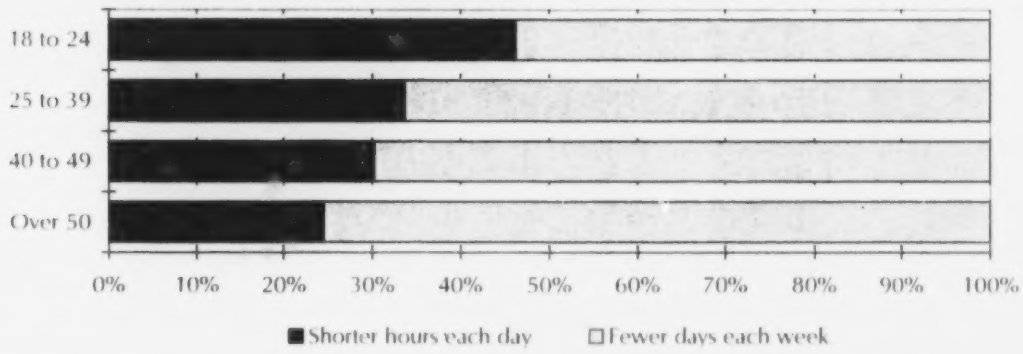



*Source: British Social Attitudes Survey 1996*

responded that they would prefer to have fewer days each week. The same analysis conducted by gender and age revealed that a slightly higher proportion of men than women would prefer shorter hours each day as opposed to fewer days each week. This was the case for all age groups.

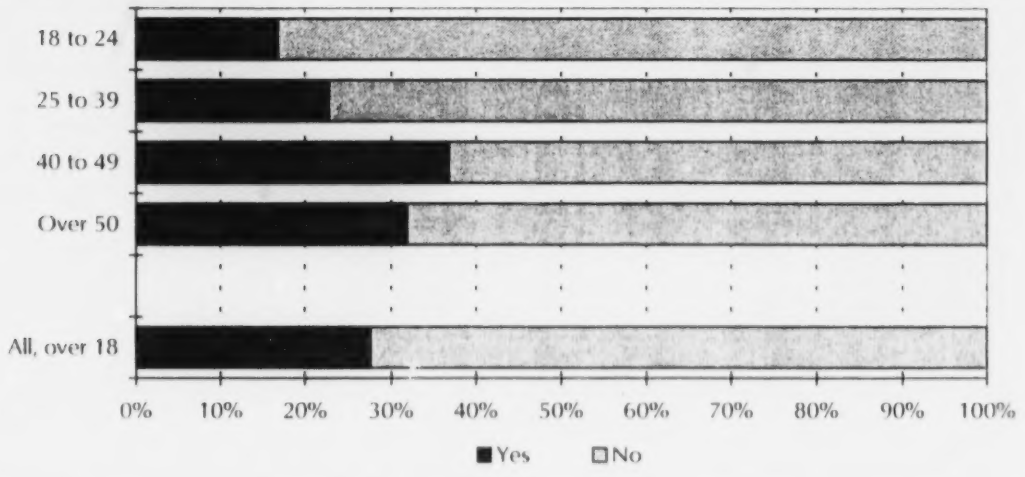
Older workers also appear to be slightly more likely to want to work fewer hours even if it means earning less money. The BSA survey data also shows that across all age groups, women are more willing than men to work fewer hours, even if it means being paid less. This question was asked of all those who

**Figure 3.7: Ways respondents would like to have hours shortened, by age**




*Source: British Social Attitudes Survey 1996*

**Figure 3.8: Whether respondents would still like to work fewer hours if it meant being paid less money, by age**




*Source: British Social Attitudes Survey 1996*

wanted to work fewer hours. Figure 3.8 disaggregates the responses to this question by age. Here, we can see that employees aged 40 to 49 were the most likely to have responded that they would still like to work fewer hours (35 per cent). Workers aged 50 and over were also more prepared to work fewer hours under these terms, compared with workers aged 18 to 39, but were slightly less prepared than those aged 40 to 49 (30 per cent).

### 3.2.1 Long hours cultures

A small survey of employees conducted by IES into working hours and long hours cultures, found that hours of work were positively correlated with age (Kodz, Kersley, Strebler and O'Regan, 1998). The likely explanation was that age was also highly correlated with seniority within an organisation, and managers and professionals were one of the groups of workers identified by the research as working long hours. Respondents to the survey aged over 45, however, were more likely to feel working long hours was having an impact on their health than their younger counterparts. The findings from this small survey thus suggest that older workers, although in many cases working longer hours, had greater concerns about the impact long hours might have on their health.

## 3.3 Needs and wishes of older workers in the workplace

It has been pointed out in the literature that in order to manage and recruit older workers effectively it is important to consider their requirements in the workplace (Worsley, 1996). The needs and wishes of employees clearly do not necessarily vary solely according to age. The employers we interviewed for this study did not look at individuals and their needs in terms of age, and were generally not aware of age as an issue in terms of needs. However, in the course of our research and our review of existing literature, we have identified a number of requirements and preferences that older workers are more likely to have than younger employees.

### 3.3.1 Concerns about retirement

As workers near retirement age they may have particular concerns about their retirement and may need support in preparing for retirement. The option to retire gradually or phase in retirement by working part time may also be valued by older workers, in order to avoid falling off a sudden 'cliff edge'. Anxiety and esteem may be an issue for older workers, particularly feelings of being unnoticed, excluded or 'over the hill' as they approach their retirement (Worsley, 1996). Where early retirement schemes are being implemented older workers may have concerns about job security.

Flexibility in retirement age was also noted as an issue by the employers we interviewed and those that attended the workshop. While some employees, with the economic means to do so, might prefer to retire earlier, others would like to continue working past retirement age, and would thus like the retirement age lifted. One employer participating in this research had found that 60 per cent of older workers had financial commitments in terms of dependants, and thus needed to continue to work. People are having commitments later in life such as mortgages, and may have children who are still financially dependent, for example those at university, when they are in their 50s and 60s. For this reason, employees may not wish to retire early and may want to continue working after retirement age.

### 3.3.2 Training

We have already noted the significant extent to which older workers are excluded from training. However, older workers may have specific training needs, especially those returning to work after a period out of the labour market. They may need to update skills or need particular support in reintroducing themselves into a working environment, or an unfamiliar organisation. However, it is not necessarily the case that older workers have extra training needs. For instance, in one of the organisations participating in our research the perception that older recruits may require extra training, particularly in IT skills, was found to be misguided. Older workers have had no more difficulty developing these skills than any other age group.

Older workers may also have particular preferences in their method of learning. For example, it has been noted that older workers may be more questioning in their learning style, or may prefer training which builds on their prior knowledge. They may also have a preference for self-paced learning or on the job training (Worsley, 1996).

### 3.3.3 Caring responsibilities

Reduced death rates, a shift in the age profile of the UK population, and changes in the way in which elderly people are cared for have meant that an increasing proportion of employees have caring responsibilities for older people (Bevan, Kettley and Patch, 1997). Previous research found that one in six employees had eldercare responsibilities (Help the Aged, 1995). This is an issue that is likely to affect older workers. It has been estimated that of the six million carers in the UK (*ie* carers of people of any age), half are aged between 50 and 64 (Worsley, 1996). There is also likely to be a greater number of people with eldercare responsibilities, as the workforce grows older. With the participating organisations of our research, the number of employees with eldercare responsibilities appeared to be relatively unknown. Employers participating in our research however, did feel they were seeing greater evidence of the issue. For instance, an increasing number of employees applying for early retirement due to caring responsibilities had been noted in one organisation.

By contrast to childcare, relatively little attention has been paid to the impact of eldercare responsibilities on employees (Bevan,

Dench and Tamkin, 1998). Nevertheless, as noted by one employer in a previous IES study, eldercare was clearly an issue of increasing concern:

> *'We've got a big 'bulge' of key people in their late thirties and early forties. They are currently concerned about childcare, schooling and so on. Within the next ten years they'll be concerned about looking after their parents. These people would be difficult to replace, and we have no choice but to be responsive and understanding about these issues.'* (Bevan, Kettley and Patch, 1997 p13).

The dual demands of work and outside eldercare responsibilities can lead to increased pressure, reduced performance, staff turnover and sickness absence. Employees may want flexible working arrangements, flexibility in paid and unpaid leave, or career breaks in order to cope with these responsibilities. They may also be reluctant to work long hours on a regular basis and be less geographically mobile. A survey published by Blackhorse Relocation Services (1998) has found that employers may need to take account of such commitments in order to retain staff.

### 3.3.4 Job and workplace design

Job and workplace design is another issue, which may be important to older workers. Better workplace design such as layout or lighting, may help to avoid or compensate for debilitating conditions (Casey, Metcalfe and Lakey, 1993). Previous research has found that older workers may have particular requirements in relation to lighting, heating, length of time required to stand, excessive noise, seating design and positioning of workstations (Worsley, 1996).

Other needs or preferences older workers may have include:

1. **Flexible working arrangements**: as one respondent noted, older workers without childcare responsibilities may be more flexible in the hours they are willing to work.
2. **Social opportunities** may also be particularly important for older workers. As noted earlier in this chapter, many older workers want to work in order to gain this social contact. They may therefore particulary welcome opportunities to socialise with work colleagues through staff associations or work social activities.

## 3.4 Summary

In this chapter we examined older workers' attitudes to work. It was clear from our analysis that older workers' attitudes and reasons for working were different to those of younger workers. Specifically, older workers appeared to be working for reasons other than financial need. Indeed they were more likely to be working because they enjoyed working, compared to their younger counterparts. These differences appeared to be most marked among those workers aged 60 and over. We noted that four-fifths of those aged 60 and over responded that their job meant more to them than simply earning a living, compared to 68 per cent of all those aged 16 and over. Moreover, we found that seven-tenths of workers aged 60 and over gave their reason for working as being because they 'enjoy working' compared to only half of those aged between 18 to 24.

Older workers were also less likely to have stated that they were working 'to earn money for basic essentials' or 'in order to follow their career.' With respect to the latter, we witnessed a marked decline in those responding that they were working in order to follow their career, from the age of 40.

It was clear from our analysis that older workers are committed to their work. Indeed we found a positive relationship between work commitment and age. Nearly three-fifths of those aged 50 and over felt that they 'do the best they can,' with respect to their job, 'even if interferes with the rest of their life.' This compares to almost two-fifths of those aged 18 to 24.

Whilst almost two-thirds of older workers (aged 50 and over) reported that they were happy with the number of hours that they worked, of the third who were not, the vast majority wanted to work fewer days each week. In addition, three-tenths of older workers who wanted to work fewer hours per week responded that they would still like to work fewer hours even if it meant being paid less. This proportion was slightly higher than the average for all ages. Recent research has also shown that older workers are likely to have greater concerns about the impact long working hours might have on their health.

The needs and preferences of employees in the workplace clearly do not necessarily vary by age. However, we identified some needs and wishes older workers might be more likely to have:

- support in preparing for retirement
- training to update skills
- family friendly working practices for those with caring responsibilities for older people
- job and work design to take account of their needs, particularly physical working conditions.

# 4. Employment of Older Workers and Employers' Perceptions of Older Workers

In this chapter we consider the employer's perspective in relation to the employment of older workers. We first look at the age profiles of the workforces within organisations. We then discuss the extent to which employers expect these age profiles to change in the future and whether they are concerned about the demographic changes we discussed in Chapter 2. Employers' attitudes towards older workers are also considered, in terms of the attributes commonly associated with older workers as compared to their younger counterparts. We also outline the types of jobs employers consider older workers may or may not be suitable for. Finally, we discuss the barriers employers may either explicitly or inadvertently place against older workers.

## 4.1 Older people in the workforce

### 4.1.1 Age profile of employers' workforces

The current age profile of the workforce of the employers interviewed for our research generally showed an under-representation of older employees compared with the population as a whole. The proportion of employees aged over 50 ranged from eight to 16 per cent of the total workforce. In many of these participating organisations there was a peak in the number of employees in the 30s and 40s age ranges.

Older workers did not appear to be concentrated in specific roles. However, one organisation noted that its age profile was fairly young due to the nature of the work, part-time clerical work, which was thought to be particularly suitable for younger

women with families. We also found an example of an organisation with a very young workforce. This was thought to be due to organisational culture and the demands of the work. The perception was you needed to be single and childless to cope with the heavy workload and long working hours. As such, employees were thought to be 'burnt out' by the time they were 40. In one organisation, however, employees aged over 50 had been specifically targeted to take up expert and customer service roles. In another, employees over 60 tended to be in more junior positions, as the option of working over the usual retirement age was not generally open to employees in more senior occupations.

Employers' expectations of how their age profiles are likely to change do not necessarily reflect the demographic changes described in Chapter 2. For instance, a recent survey found that although one-third of managers expected the average age of their workforce to increase, over a quarter thought the average would actually decrease. The possible explanation is the further implementation of early retirement schemes (Arrowsmith and McGoldrick, 1996).

### The need for a balanced age profile

Employers participating in our research recognised the need for balance across the age groups in their workforces. This reflects the findings of previous studies. Arrowsmith and McGoldrick (1996) found that reasons for this included a need for a mix of skills, strengths, experience, and qualities and the useful deployment of older employees in mentoring roles. Balanced age profiles were also identified as important for pension funding, succession planning and organisational vitality.

Our employer participants viewed a balanced age profile as particularly important in relation to succession planning. Bulges of employees aged in their 40s and 50s can create blockages and limit the scope for promotion amongst younger workers. There was also an understanding of the danger of remaining static and becoming stagnant in the absence of a throughput of people, and hence the need to introduce 'new blood'. However, our respondents recognised that vitality and freshness of approach did not necessarily relate to age. Within the retail sector in particular, there was a recognition of the benefit of matching the age profile of employees to that of the

customer base. Retailers are recognising the buying power of older customers and also the desire amongst customers to be served by someone of their own age. Other service sector employers have recognised the benefits of reflecting their market. The Nationwide, for instance, now employs more older mortgage advisors. They have found that buyers often prefer older staff who are more likely to own their own home (Burke, 1999).

The retention of older employees may also be viewed as important in terms of the return on investment in training and the retention of skills and experience. Some further issues raised in the literature with regard to maintaining an age balance and recruiting older workers relate to responding to skill shortages, maximising recruitment potential, promoting diversity and gaining a reputation as a good employer (Worsley, 1996).

### 4.1.2 Concerns about demographic changes

A key point to make in relation to the implications of the demographic changes we outlined in Chapter 2, is that most employers we contacted for the purposes of this research did not view the ageing of the population as an immediate concern. It appears to be only some very large and forward thinking employers that are far enough ahead, for the demographic changes to be acting as a driver. It does, however, appear that for some of our employer participants the Code of Practice on Age for Age Diversity in Employment (Department for Education and Employment, 1999) was raising awareness about age related issues.

A survey of employers carried out in 1991 asked about the problems that might be encountered if the average age of their internal workforce increased (Taylor and Walker, 1993). A high proportion of respondents felt there would be no problem arising from these changes. The main problem identified was little enthusiasm for new technology from older workers and a resistance to change. The employers participating in our research did however raise a number of concerns about the demographic changes, and the likely impact of the ageing of their own workforces:

- **Recruitment difficulties:** in order to cope with the reduction of younger workers in the workforce, the competition to recruit young people is likely to increase. It has been noted in the

literature that employers may need to consider other sources of recruitment, one of which might be older workers, while others include women and ethnic minorities (Industrial Relations Services, 1998). Recruitment was also recognised as an issue by some of our employers, but this was less of a concern for others. As one employer put it.

*'This issue of age comes round in cycles, particularly when there are problems with recruitment and retention. This is not a problem at the moment. I am not really concerned about the demographic changes, 'wolf' has been cried too often. Last time the demographic time bomb we were concerned about just didn't go off. We didn't allow for technological changes, the onset of recession and the reduction in the need for people. This is likely to be the same in the future.'*

- **Workforce reduction:** organisations undergoing a change programme or reducing numbers of employees, felt they were facing a dilemma. On the one hand they were continuing to look towards early retirement schemes as a more acceptable way to downsize, on the other they were reluctant to lose the experience of long-serving staff. Furthermore, the early retirement packages many organisations are able to offer are decreasing significantly in value. For this reason, early retirement is likely to become less of an attractive option for individuals. With less generous pensions available, fewer staff will be willing to leave in this way. Some employers we spoke to were also responding to the pressure of public opinion that shedding staff in this way discriminated against older workers.
- **Bulge of older workers approaching retirement:** for some employers there was a concern about the large proportion of older workers approaching retirement age and the vacuum this would entail, in terms of the loss of skills and experience when they leave.
- **Serving customer needs** and reflecting the age profile of the customer base was becoming more of an issue in the context of the demographic changes. A retailer we interviewed recognised the need to cater for older customers, such as those with hearing and sight problems, and the need for staff to be more aware of age related issues.
- **A desire to raise the profile of older workers** was considered important in one organisation. They recognised the benefits of employing older workers, in terms of providing a mentoring role and passing on knowledge and skills to younger employees.

## 4.2 Employers' perceptions about older workers

We discussed in Chapters 2 and 3 the characteristics, attitudes, needs and wishes of older workers, drawing from secondary data on the individuals themselves. We now turn to consider perceptions about the attributes of older workers from the employer perspective. First, we look at the attributes employers perceive to vary by age, and then the types of jobs thought to suit older workers. In this discussion we draw from both previous studies and our own research with employers.

### 4.2.1 Perceptions about attributes of older workers

The age at which employers regard employees as 'older' varies quite widely, particularly between sectors. Generally, a worker is defined as 'older' somewhere between the ages of 40 and 55, with a threshold of 50 the most common (Hayward, Taylor, Smith and Glenys, 1997; Metcalfe and Thompson, 1990). Metcalfe and Thompson found some variation in these perceptions by occupation and gender. Workers were seen as older at an earlier age in IT positions and later in management. Potential recruits were also perceived as old at an earlier age than existing employees. Women returning to the labour market aged 35 to 40 were often considered older because their work colleagues were generally younger than themselves (Metcalfe and Thompson, 1990).

A number of studies have looked at employer perceptions about older workers. These range from small qualitative studies to large-scale surveys based on research with managers within organisations (see for example, Metcalfe and Thompson, 1990; Trinder, Hulme and McCarthy, 1992; Taylor and Walker, 1993; Carnegie UK Trust, 1993; Warr, 1993; Itzen and Phillipson, 1993; Hayward, Taylor, Smith and Glenys, 1997; and Arrowsmith and McGoldrick, 1996). A summary of the types of characteristics and skills thought to vary by age are shown in Table 4.1. Generally, these studies have identified the same types of attributes with little variation according to the time when the research was carried out. However, research conducted by Hayward, Taylor, Smith and Glenys (1997) concluded that employers' attitudes towards older workers were generally becoming more positive.

**Table 4.1: Employer perceptions about attributes of older and younger workers – previous research**

| Younger workers have | Older workers have |
|---|---|
| Ambition | Responsibility |
| Trainability | Reliability |
| Flexibility | Work commitment |
| Adaptability to change | Loyalty to organisation |
| Mobility | Pride in job |
| Physical ability | Stability |
| Qualifications | Maturity |
| Interest in new technology | Managerial skills |
| Ability to adapt to new technology | Customer service skills |
| | Interpersonal skills |
| | Team working skills |

*Source: Metcalfe and Thompson, 1990; Taylor and Walker, 1993; and Arrowsmith and McGoldrick, 1996*

The most common attributes that employers associate with older workers appear to be maturity, experience and responsibility. Conversely, younger employees are thought to be more adaptable to change and new technology and to have greater physical ability. Characteristics that are thought not to vary by age are literacy, numeracy and attendance (Metcalfe and Thompson, 1990).

An in-depth analysis of managers' views conducted by Arrowsmith and McGoldrick (1996) identified commitment and better quality of work as key perceived characteristics of older workers. Older workers were thought to be less able to cope with change and demanding work, especially if it was physical. These managers also thought that older workers were more costly to employ, in terms of pay and pensions, as well as insurance and other benefits. Managers responding to McGoldrick and Arrowsmith's survey qualified their viewpoints by saying these characteristics depended on the nature of the job and the individual. For instance, experience may be either viewed as a positive or negative attribute, positive if it is organisational specific, negative if it is not relevant or leads to inflexibility. Also many respondents perceived as much

variation between individuals as age groups, for instance, people may mature or gain experience at different ages.

For our research we also asked employers about their perceptions of the characteristics of older workers as compared to their younger counterparts. It appears that our respondents were more reluctant to stereotype. They were not sure whether age was the primary influence. For example, inability to deal with change was thought to be more to do with length of service than age. Our respondents were unclear whether they had seen any real evidence to show that older workers necessarily had more knowledge, experience, or were more reliable. One employer also thought there was little evidence to say older workers were slower to learn or less able to cope in a pacey and technological environment. As this respondent put it:

*'If they are slower, they tend to get it right first time.'*

Differences were thought to be more to do with the individual. Our findings suggest that employers' attitudes are changing or that our employer respondents had more enlightened viewpoints. Some employers felt that perceptions are subjective and vary according to the age of the respondent.

We have summarised these participating employers' views on the attributes of older workers as compared to younger workers in Table 4.2. It can be seen that many of these characteristics identified are similar to those of previous research. The differences mentioned included a tendency for older workers to

**Table 4.2: Employers' perceptions about attributes of older and younger workers – IES research**

| Younger workers have | Older workers have |
|---|---|
| Ability to cope with change | Knowledge |
| Health and physical fitness | Experience, including life experience |
| | Reliability |
| | Stability |
| | Customer service skills |
| | Thoughtfulness about the business |
| | Better able to deal with people |

*Source: IES research with employers*

be more caring about the business, less accepting and more likely to challenge the way things are done. If older workers were less flexible, it was suggested that this might be because job security became more important as they got older. It was thought that older workers were more likely to be sensitive with regard to health and safety issues and to take them more seriously. Customer service skills, and ability to deal with people were also seen as key attributes that increased with age. As one employer reported:

> *'Older workers have more experience in dealing with people, they have more time to give people and listen, they are able to deal with a wide variety of people and have more gener experience with life.'*

### 4.2.2 Perceptions of work suited to older workers

Previous research has identified jobs employers perceive that older workers are more or less likely to be suitable for. Taylor and Walker (1993) found from a large-scale survey that almost one-third of employers could think of jobs within their organisation that older workers would have difficulty adapting to, whereas a quarter could think of no job unsuitable for an older worker.

Metcalfe and Thompson (1990) found that 'being there' jobs and jobs demanding low skill and responsibility were thought by employers to suit older workers. The type of work identified included routine clerical jobs, counselling or caring jobs, 'tedium' jobs, waste disposal work, cooks and porters. Arrowsmith and McGoldrick (1996) found from their survey of managers that older workers were often thought to be more suitable than young people for jobs involving customer contact, team working and less supervision.

Older workers are often thought to be unsuitable for jobs which are physically demanding or IT based, *eg* IT related jobs, heavy manual jobs and stressful office jobs. Creative, media and other dynamic and new IT based industries are seen as requiring enthusiastic and flexible young people, who have been trained in the latest techniques and systems (Pandya, 1998). Older workers are felt to be less suitable for jobs involving a high pace of work or high degree of training content. Metcalfe and Thompson's research noted that for jobs requiring a substantial

investment in training, employers often considered the costs of employing older workers outweighed the benefits, in terms of likely duration of employment.

Many of the participants in our research felt that they could not say whether there were any roles which older workers were more or less suitable for. It was repeatedly reported to us that they generally did not look at age in that way. However, work which was thought to be unsuitable included pilots and work involving difficult physical conditions. Conversely, respondents felt that older workers were particularly useful in mentoring roles in order to pass on their experience and also, as we noted above, within jobs involving customer contact. As one respondent put it:

> *'The biggest benefit of employing older workers is customer perceptions and in a retail environment this is very important ... customers enjoy being served by a mature member of staff who can give them advice.'*

## 4.3 Age barriers in employment

The Employers' Forum on Age (EFA) has found that older workers can experience ageism at all stages of the work cycle: recruitment, training, downsizing and retirement (Employers' Forum on Age and Austin Knight, 1996). We have already noted the higher propensity of older workers to be made redundant or become eligible for early retirement in the context of downsizing exercises. We now consider barriers to employment, both in recruitment and in gaining access to training and development opportunities. This might provide further insights into the reasons for the experiences of older workers in the labour market described in Chapter 2, such as low activity rates and low receipt of training.

### 4.3.1 Age barriers in recruitment

One indicator of age barriers in recruitment is the use of formal age limits on vacancies. A number of surveys have been carried out which look at the extent to which employers apply upper age limits. For example, a survey of 500 employers conducted in 1991 found that nearly half of employers felt age to be an important consideration in the recruitment of staff. A quarter of these considered people over 50 to be too old to recruit and 43

per cent opted for an upper limit of 55 or less (Taylor and Walker, 1993). However, more recent research does appear to indicate that formal age limits are disappearing. Research conducted in the early 1990s found that approximately one-third of employers always used age limits in job advertisements (Metcalfe and Thompson, 1990), compared with just over one in ten in a survey conducted by the Industrial Society in 1998 (Industrial Relations Services, 1998). This evidence suggesting a decline in age bars is backed up by other research conducted by Industrial Relations Services. They found that one in ten advertisements used age limits in 1998, compared to three in ten five years previously (Industrial Relations Services, 1993 and 1998).

Although the use of formal age limits may be declining, evidence of implicit age barriers is identified in the research literature. For instance, Metcalfe and Thompson (1990) found examples where recruiters clearly had a preference for younger workers. It has also been noted that the wording of advertisements can signal that older people are not wanted. For example, this occurs through the use of phrases such as: 'young dynamic environment', 'young outlook', 'fit into a young team', or words like 'innovative' or 'forward thinking' which are commonly associated with younger people (Industrial Relations Services, 1998). Many employers also continue to ask for applicants' age on application forms.

With regard to who discriminates, age barriers have been found to be more common in large organisations and where there have been workforce reductions. Small and medium size organisations are often more positive about employing older workers. Particular barriers are frequently experienced by older workers where workforce numbers are being reduced through early retirement schemes. Age discrimination is also more common where work pressures are increasing, where the existing age composition of the workforce is relatively young, and where there is perceived to be a greater availability of suitable young people in the external labour market (Arrowsmith and McGoldrick, 1996). Age barriers have also been found to exist not only within employing organisations but also amongst recruitment agencies, advisors and training providers (Walker and Maltby, 1997).

Walker and Maltby (1997) conclude that although there are some signs of better prospects for older workers within the

labour market, employers still appear to view older workers as a labour reserve, particularly in times of recruitment difficulty. Jobs that are available to older recruits tend to require low level skills and be poorly paid with little job security. This view is borne out by a survey conducted in 1996 which found that four out of five workers over 50 believed they had been turned down from a job application because of their age (Employers Forum on Age and Austin Knight, 1996). Walker and Maltby (1997) also found that almost three-quarters of the general public felt that age discrimination continued to exist within employment.

## Explaining age discrimination

A number of factors explaining age discrimination have been identified in the literature, in particular by Arrowsmith and McGoldrick (1996) through their survey of managers. These are summarised below.

- **Age as a proxy**: age continues to be used as a quick and convenient indicator of attitudes, circumstances, experience and physical abilities. Younger staff in particular may discriminate on this basis.
- **The age profile of existing workforce** is also important in particular in relation to 'age fit', *ie* managers often prefer to recruit subordinate staff who are younger themselves.
- **Organisational age timetables** which exist in organisations, for example within the armed forces, where there is a clear expectation of position to be reached at certain ages.
- **Succession planning**: employers may feel that recruitment of younger workers is necessary for longer-term development, to ensure replacement and succession. A more mature workforce may create promotion blockages.
- **Job requirements** can also be an issue: for example, younger people may be at an advantage if they have possession of the most up to date qualifications and relevant skills. This is particularly an issue in sectors affected by technological advancement.
- **Nature of the work**: increasing competition and job insecurity often lead to increased workloads and pressures in the workplace. Older workers are frequently perceived to be less able or willing to cope with this.

- **Employment costs**: in some organisations age related seniority pay can act against older workers. It may also be perceived that younger workers are more likely to accept lower salaries.
- **Customer expectations** of a young workforce, for example in retail or leisure activities which are targeted at younger people.
- **Ageism in society**, and the accent on youth, can reinforce stereotypical views about older people.

### 4.3.2 Age barriers in training and development

We discussed in Chapter 2 the lack of training and development opportunities open to older workers. Arrowsmith nd McGoldrick (1996) found that 40 per cent of those aged over 55 had received no training at all in the past year, compared to 18 per cent under 35, within the organisations they surveyed. These authors argue that this in part relates to the training needs of junior staff. However, even when this was taken into account, statistical analysis showed a negative partial correlation between age and the amount of training received. Early retirement schemes and lower recruitment of older workers is a further explanation for this lack of training and development available to older workers. Another reason for this can be a perception amongst managers that older workers do not need further training. Casey *et al.* (1993) have argued that although there may be valid reasons for not investing in training for those very close to retirement, there are few reasons for not training those who maybe five or ten years away.

More recently, the Employers' Forum on Age has found that training for older people is often piecemeal, uncoordinated and underfunded. This is despite the fact that lack of skills is a commonly cited reason why employers say they are discouraged from employing older workers (Employers' Forum on Age, 1999).

## 4.4 Summary

The age profile of the workforces of the employers participating in out small study tended to show an under-representation of older employees compared to the population as a whole. However, employers recognised the importance of a balanced age profile, particularly for succession planning and reflecting the age profile of their customer base.

Most of the employers participating in this research did not view the demographic changes as an immediate concern. Realistically, it is only the very large employers who are taking account of these changes. For others the likely impact is too far ahead or too gradual to prompt them to take any action.

Common employer perceptions of older workers are that they are knowledgeable and experienced, reliable, stable, thoughtful about the business, less accepting, with good interpersonal and customer service skills. Younger employees, on the other hand, are thought to be better able to deal with change, and more physically fit. Our employer participants thought that mentoring roles and roles involving customer contact were particularly suitable for older workers.

Although the use of formal age limits in recruitment appears to be declining, older workers still experience age barriers in recruitment. Some explanations for this include the age profile of the existing workforce, the use of age as a proxy, organisational age timetables and ageism in society reinforcing stereotypical views about older people. Older workers also experience age barriers in training and development.

# 5. Human Resource Policies and Practices Relating to Older Workers

This chapter of the report looks at some of the human resource policies and practices employers have put in place relating to older workers. We have already noted that few employers have responded to the demographic changes occurring. However, through our own research and examples cited in existing literature we have identified some examples of HR practice likely to benefit older workers. Firstly we consider the measures taken by the government, *ie* the Code of Practice for Age Diversity in Employment. We then look at recruitment practices in relation to older people, followed by a discussion of HR practices and job design that might benefit older people in the workplace. The final section looks at retirement practices and policy.

## 5.1 Code of Practice for Age Diversity in Employment

The government's Code of Practice for Age Diversity in Employment[1] was launched in June 1999. This is a voluntary code for employers to follow and covers six aspects of employment, providing recommendations for each. In summary, the areas covered, and recommendations of the code are:

- **recruitment**: recruit on the basis of the skills and abilities needed to do the job

[1] Department for Education and Employment (1999) *'Age Diversity in Employment: A Code of Practice'*.

- **selection**: select on merit by focusing on application form information about skills and abilities, and on performance at interview
- **promotion**: base promotion on the ability, or demonstrated potential, to do the job
- **training and development**: encourage all employees to take advantage of relevant and suitable training opportunities
- **redundancy**: base decisions on objective, job related criteria to ensure the skills needed to help the business are retained
- **retirement**: ensure that retirement schemes are fairly applied, taking individual and business needs into account.

The code highlights the business benefits of such practices. Since the launch of the draft code in November 1998 there has been some debate about its likely impact. For instance, (Javaid, 1999) it has been noted that the code is intended to set new standards which employees can refer to in internal complaints and industrial tribunals. Tribunals may use the code as a standard of reasonable behaviour. On the other hand, some commentators have criticised the voluntary nature of the code, and concerns have been raised that as such, employers might ignore it.

In recent years there has been some debate as to whether legislation should be introduced to outlaw ageism, as has been implemented in other countries such as New Zealand, USA and Canada. A number of surveys of employers in the UK have found that although most employers favour voluntary action, between one-third and 40 per cent are in favour of legislation (see for example Taylor and Walker, 1993; and Warr, 1993). Reasons identified in a recent poll in support of legislation include legislation being seen as more effective, since it cannot be ignored, provides greater clarity, imposes a minimum enforceable standard, and victims of ageism have a procedure whereby they can seek redress. Reasons given against legislation and in support of a voluntary code such as the one which has been introduced, include not imposing a further burden on businesses through legislation, and difficulties in drawing up legislation (Industrial Relations Services, 1998).

For some of the employers interviewed for our research the Code of Practice did appear to be drawing attention to age related issues. At this early stage there is no easy answer as to

the impact the code is likely to have and the extent to which it will prompt employers to take action. However, the lack of concern amongst employers about age related issues, identified by the research, does raise doubt about the likely impact of a voluntary code.

The following sections provide some examples of good practice in relation to recruiting, retaining and managing older workers. These practices are summarised in Figure 5.1.

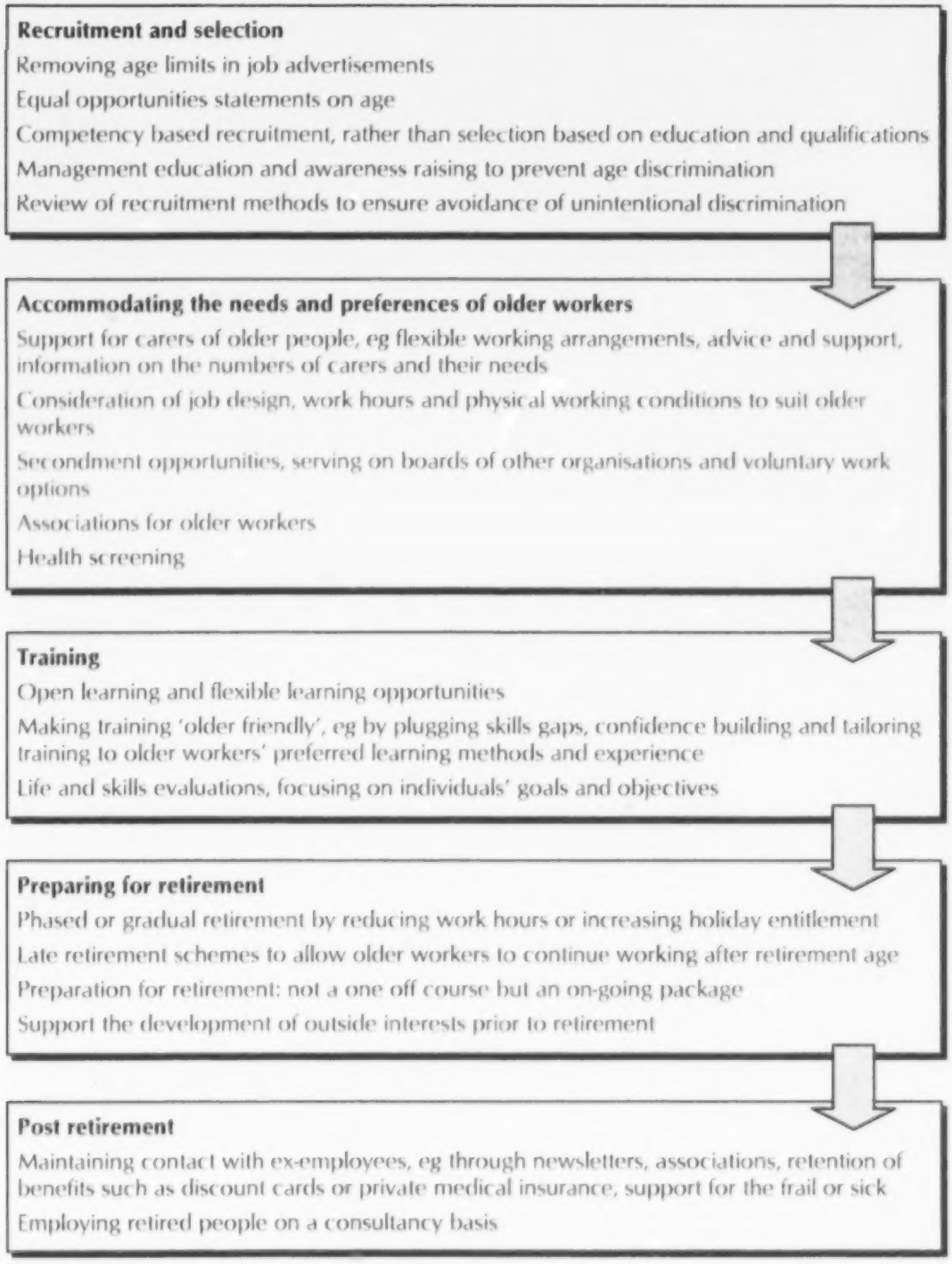
## 5.2 Recruiting older workers

We found that in general employers were not experiencing recruitment difficulties, and perhaps for this reason age issues were not of primary concern at the time of the research. If employers were concerned about the ageing profile of their workforce, they tended to be focusing their efforts on attracting young people within a more competitive market rather than upon recruiting older workers. Taylor and Walker also found that strength of commitment put behind policies and practices seeking to recruit older workers was influenced by short-term business needs. For most employers, the issue of falling numbers of school leavers was not, at the time of the research, perceived as an issue that needed to be addressed. Most had only taken limited steps to prevent age discrimination, and where they had, these policies or initiatives tended to be operating at a superficial level (Taylor and Walker, 1998). However, we summarise here some of the examples of good practice in relation to recruiting older workers identified in the Code of Practice and the research literature, as well as from our own research.

### Removing age limits in job advertisements

We have already noted that many organisations are removing age bars in job advertisements. Some employers have gone a step further and make a clear statement in advertisements showing the job is open to all age groups. For example one of our interviewees always states in their vacancy publicity that they welcome applicants of all ages.

**Figure 5.1 Human resource policies and practices, which may benefit older workers**


Recruitment and selection
Removing age limits in job advertisements
Equal opportunities statements on age
Competency based recruitment, rather than selection based on education and qualifications
Management education and awareness raising to prevent age discrimination
Review of recruitment methods to ensure avoidance of unintentional discrimination
Accommodating the needs and preferences of older workers
Support for carers of older people, eg flexible working arrangements, advice and support, information on the numbers of carers and their needs
Consideration of job design, work hours and physical working conditions to suit older workers
Secondment opportunities, serving on boards of other organisations and voluntary work options
Associations for older workers
Health screening
Training
Open learning and flexible learning opportunities
Making training 'older friendly', eg by plugging skills gaps, confidence building and tailoring training to older workers' preferred learning methods and experience
Life and skills evaluations, focusing on individuals' goals and objectives
Preparing for retirement
Phased or gradual retirement by reducing work hours or increasing holiday entitlement
Late retirement schemes to allow older workers to continue working after retirement age
Preparation for retirement: not a one off course but an on-going package
Support the development of outside interests prior to retirement
Post retirement
Maintaining contact with ex-employees, eg through newsletters, associations, retention of benefits such as discount cards or private medical insurance, support for the frail or sick
Employing retired people on a consultancy basis

*Source: IES*

### Equal opportunities statements on age

All the organisations we visited had specified age as an issue in their equal opportunities policy and clearly stated in their policies that they did not discriminate on grounds of age. Worsley cites W H Smith and Nationwide as examples of employers with such policies. The Nationwide, for instance, has included age in their equal opportunities policy since 1991, and anyone who has been discriminated on grounds of age is encouraged to come forward (Worsley, 1996).

### Competency based recruitment

The Code of Practice recommends specifying skills and abilities required for the post, and selecting on merit, based on application form information and performance at interview. It also recommends making sure interviewers are aware of age issues. One of the employers participating in our research had moved away from looking at education and qualifications in their selection processes, and focused on overall experiences in order to favour older applicants. This was at a time when they were experiencing recruitment difficulties. However, now they no longer experience such difficulties they have moved back to more traditional means of selection.

### Review recruitment methods to ensure avoidance of unintentional discrimination

The Code recommends reviewing the wording of advertisements and ensuring interviewers are trained to avoid basing decisions on prejudices and stereotypes relating to older people. Also recommended is using a mixed-age interview panel and avoiding asking for age details on application forms. The Nationwide has again been noted in the literature as an example of an employer conscious of age in its corporate literature (Department for Education and Employment, 1996). We also found examples of employers through our own research which had carefully reviewed their own recruitment methods to ensure they did not unintentionally discriminate. Instead, they aimed to give the right messages to encourage older workers to apply for vacancies, but did not specifically target older workers. We also heard through our research of examples of employers shortlisting candidates over the

telephone, so that it was not possible for interviewers to gauge the age of the applicant, and thereby avoid any unintentional discrimination. The Nationwide introduced telephone screening five years ago and estimates that it has helped triple the number of people over 50 that are recruited. Applicants are asked basic questions over the phone which are filtered by computer (Burke, 1999).

## Management education

Metcalfe and Thomson (1990) identified through their research that line managers discriminating against older applicants was a major barrier to the recruitment of older employees. This is of particular importance as many employers have devolved some personnel functions to line managers (Taylor and Walker, 1998). One of our participating employers was running training sessions for line managers, to ensure managers recognised the importance of recruiting older workers and that recruitment practices were geared up for recruiting people of all ages. These awareness raising sessions were focusing on the business case for equal opportunities. These highlighted the need to ensure they did not miss out on anyone who would add value to the business, and the benefits of their staff age profile reflecting their customer base.

## Recruitment strategy to target older workers

The Code of Practice recommends that employers should think strategically about where jobs are advertised, bearing in mind that magazines and periodicals are aimed at different sectors of the market. Nationwide has found that carefully targeted advertising has contributed to its successful recruitment of a mixed-age workforce. It is has been reported that five per cent of all employees recruited in the past five years are aged over 50 (EFA, 1998).

Some employers have specifically targeted older workers in their recruitment. B&Q is a commonly cited example. They have staffed two stores entirely with older workers. The benefits they have identified through this experiment include willingness amongst older workers to accept more flexible working hours, such as weekend working, and the development of a more caring management style.

Petsmart, a pet retailer, is another organisation that has been reported as specifically targeting older workers. They hope that the maturity and experience of people over 50, particularly those who have kept pets for many years, or have a substantial cash handling or customer service background, will be appreciated by customers and act as an example to younger staff (Stuart, 1998). Specific posts being targeted at older workers are store management, livestock, grooming, warehouse, sales and checkout positions. The aim is that by 2006, a quarter of Petsmart's workforce will be aged over 50.

In the course of our research we also found examples of employers targeting specific types of jobs for older workers. In particular, these were expert roles, in order to share and pass on their knowledge and experience, as well as sales positions. One of our respondents had found that:

> *'The biggest benefit is customer perceptions, which is very important, customers enjoy being helped by a mature member of staff who can give them the advice they are looking for.'*

### Make work attractive to older workers

Making employment more attractive to older workers through conditions of employment and benefits is also likely to help encourage the recruitment of older people. For example, part-time opportunities, and providing part-time workers with the same conditions of employment as full-timers, might make employment more attractive. The Department for Education and Employment (1996) provides examples of targeting less demanding or stressful work at older workers, as it was thought this was the type of work they might prefer. We discuss in detail, in the following sections, other ways in which employers might adapt working practices and conditions to make employment more attractive to older workers.

## 5.3 Retaining and managing older workers

A key finding from this research is that employers do not specifically target older workers or view them as a separate group with distinct wants and needs within the workplace. Instead, our research showed that in many cases employers were implementing policies which they felt older workers were

likely to benefit from, such as carer friendly practices or flexible working arrangements, but these were not specifically aimed at older workers. They also looked at their policies and practices to ensure they were not discriminating against older workers or any other group of people. Our findings mirror those of previous research studies. Casey, Metcalfe and Lakey (1993) for instance, also found that some employers had active human resource management strategies and had developed policies and practices to improve the use of all employees, but these were not necessarily targeted at older workers.

In relation to staff retention, for example, the large employers we interviewed felt the pay and benefits they offered, such as share save schemes, share options, profit related pay, bonuses and discounts, helped to retain and maintain the commitment of employees of all ages. This point is illustrated by the following quotes from two respondents, who felt they offered generous benefits to their employees:

> *'We do a lot for our staff, this is a big company with big benefits, but these are not specifically aimed at older workers, although they will benefit.'*

> *'Our workforce is very committed to the company and keen to work right up to retirement age and still put 100 per cent into the company.'*

In the following sections, we consider the kinds of policies and practices employers have in place which cater for the needs and wishes older workers might have, as identified in Chapter 3.

### 5.3.1 Support for carers

In Chapter 3, we noted the increasing incidence of employees having caring responsibilities for older people. This is an issue, which is particularly affecting older workers. The likely dividends for employers to understand the needs of such carers, have been identified as retention of staff, reduced pressures on employees and better performance (Worsley, 1996).

#### Flexible working arrangements

Employers with eldercare responsibilities are likely to benefit from flexible working arrangements, such as:

- special leave for carers
- career breaks
- flexible working hours, such as part-time work, flexi-time, annualised hours, short-term contracts or temporary work.

These types of flexible working arrangements can enable employees to respond to the needs of those they are caring for by taking time off work at non-traditional times. A financial services company participating in a previous IES study had extended the special leave they offered staff, in order to specifically benefit their staff caring for adults. As the respondent explained:

> *'We extended our carer leave so that staff could take unpaid leave for several weeks. We had several people whose elderly parents were ill, or needed to go into sheltered housing or homes. This proved to be time consuming and stressful and we wanted to be responsive to this. Actually, it's in our interests too because, looking at our age profile, this is going to be at least as much of an issue as childcare has been.'* (Bevan *et al.*, 1997)

However, most of the employers participating in this current research had not specifically focused on eldercare. It was felt that those who did have these responsibilities were adequately catered for by the family friendly policies they had in place. As one respondent put it:

> *'Pressure to implement family friendly policies comes from people with young children and the policies we have in place have been tailored to their needs. Benefits will fall out from this for those caring for an older person ... We have not looked at their requirements specifically.'*

The types of arrangements offered included special carer leave and career breaks. In some cases the amount of special leave staff could take was limited to one or two weeks per year. In others there was no limit and it was left to the discretion of line managers. Texaco and Marks and Spencer have been cited in the literature as examples of employers which offer career breaks to those with caring responsibilities (Department for Education and Employment, 1996; and Worsley, 1996). Other flexible arrangements offered by our participant employers were part-time working, job sharing, working from home and flexi-time. Some of the organisations offered a variety of contracts to suit the needs of individuals, such as weekend hours or short-term contracts.

### Advice and support for carers

Help and support for working carers to arrange care, for example through information and referral services, has been found to be successful in the United States. This has also been found to be becoming an increasingly popular option with employers in this country (Bevan *et al.*, 1997). Indeed one of the employers participating in our research offered an advisory help line to help carers research providers of care for adults. Other examples cited in the literature are LV Group's Familylife Solutions, a nationwide telephone service providing confidential information, help and advice to workers with a caring responsibility for a family member of any age (Bevan *et al.*, 1997). Also previously noted in the literature is Peugeot Talbot's provision of a day centre for employees' dependent elderly relatives (Worsely, 1996).

### Awareness of the number of carers and understanding their needs

An issue raised by our research is the need to understand the needs of carers. It is important for the organisation as a whole to have information on the number of carers within the organisation and their needs (Worsley, 1996). Our respondents also recognised the importance of line managers having an understanding of the needs of their staff with eldercare responsibilities. This is particularly the case if it is left to the discretion of line managers to grant special leave for carers or enable such staff to adjust their working hours.

## 5.3.2 Job and workplace design

There is little evidence in the literature to suggest that employers have considered ergonomics within the workplace in relation to older workers (Casey *et al.*, 1993; Worsley, 1996). Casey *et al.*, (1993) argue that better job design would reduce long-term illness and disability and compensate for physical decline amongst older workers. Worsley (1996) recommends that employers should consider the distance and height objects need to be lifted, the space required by employees, length of time required to stand, insulation from excessive noise, seating design and positioning of work surfaces. However, our employers had not specifically considered these issues in

relation to older workers. They were more likely to consider the needs of staff and what they can or cannot do on an individual basis, and cater for those needs.

### 5.3.3 Training

We have already noted in previous chapters the lack of training received by older workers compared to younger employees. However, Arrowsmith and McGoldrick (1996) warn that this imbalance may be short-sighted and counterproductive. This, they say, is because the greater employment stability of older workers can in fact lead to a greater payback period on the initial training investment, rather than the reverse. Further, the lack of training and development opportunities for older workers may well lead to increased demotivation and stagnation amongst this group of employees.

#### Training which may benefit older workers:

The employers participating in our research felt that there was no difference in the type or amount of training they offered to staff according to their age. Casey *et al.* (1993) have recommended that training should be made available to all staff regardless of age, within a continuous learning environment. However, it has also been suggested in the literature that certain types of training may benefit older employees. In summary, these include:

- opening up training and development opportunities to staff of all age. Littlewoods gives staff the opportunity to become a store manager through a fast track scheme for the over 40s (Burke, 1999).
- open learning and flexible learning opportunities which is likely to benefit those working part time and can be tailored to an individual's preferred learning method or pace of learning (Worsely, 1996)
- making training 'older friendly' is recommended by Casey *et al.* (1993). They suggest that assistance to overcome fear of learning, to build up confidence and plug gaps in knowledge may benefit older workers in particular. They also recommend tailoring training to older people's preferred learning methods and previous experience.
- life and skills evaluation. One of our employer participants offered employees of all ages the opportunity to take part in a

life and skills evaluation programme, which looked at individual goals and objectives. One group of workers thought to particularly benefit from this was older workers who may be restarting their careers.

- support to help older workers prepare for retirement, for example through the development of outside interests and learning not necessarily related to their work.

### Awareness raising for all staff of issues relating to age

We have already noted the importance for line managers to understand the needs of employees caring for older people. One of the employers participating in the research was carrying out awareness raising sessions with their managers on issues relating to age. These were looking at the business case for equal opportunities with regard to older employees, as well as the delivery of goods and services for older customers.

A number of other employers, including Asda, Safeway, Co-Op Food Stores, British Gas and Pedigree Petfoods have taken part in workshops run by Age Concern to help their employees gain an understanding of the difficulties elderly customers experience each day (Moore, 1998). Altruism appears to be one motivating factor for this, but as more spending power is in the hands of older people, employers are becoming increasingly aware of the business case for taking the needs of older customers into account. Employers are responding by implementing measures like making labelling easier to read and changing store layouts around less frequently to avoid disorientation.

## 5.3.4 Other benefits

Other benefits our employers offered which might particularly benefit older workers included health screening. One employer offers a full medical examination from a doctor to employees aged over 40, as opposed to a lifestyle assessment to those below the age of 40. Staff over 50 were offered health screening every three years. The rationale behind this initiative is to help with the morale and motivation of employees and to show that the employer values older employees. It is also thought that it will assist with the management of sickness by identifying illnesses at an early stage, although a full evaluation of the initiative has not yet been undertaken.

Other benefits for older workers we came across in the course of our research included an association for older employees which one employer was setting up. Schemes such as secondment opportunities, serving on boards of other organisations, and voluntary work options, were also thought to be beneficial for those employees nearing retirement.

## 5.4 Retirement

### 5.4.1 Transition from work to retirement

In the course of the research we came across a number of measures employers had in place to ease the transition of their employees from work to retirement. In particular, these were phased or gradual schemes and offering support in preparing for retirement. We discuss each of these in turn below.

#### Phased or gradual retirement

Phased or gradual retirement schemes can enable employees to adjust more easily to retirement, either by reducing working hours or increasing holiday provision (IDS, 1998). Some schemes enable employees to work beyond their normal retirement date. Gradual or phased retirement can enable employees as they approach retirement to have time to prepare for retirement and try things out, reduce the fear of the unknown and avoid a sudden cliff edge when they fully retire (Worsley, 1996). Worsely states that the advantage for the employer would include the retention of staff motivation as they near retirement.

Such gradual retirement schemes are rare, however. Some of our participant employers offered this as an option. One for example, allowed employees to reduce their working week in the four years running up to retirement. Worsely (1996) found these types of arrangements to be more common in Europe, and gives Volkswagen as an example. A typical method of reducing the working week is to progressively reduce the number of days worked over a period of say six months prior to retirement. IDS (1998) has found that most employers enable the employee to remain on full pay for the period of the phased retirement. Littlewoods is given as an example of an employer which allows employees to lower their hours in their final year with no impact on pay. In cases such as this, there is no impact

on an individual's pension, which in most salary based schemes is based on final earnings.

The biggest obstacle against gradual retirement schemes is the incompatibility with pension schemes, where pay is reduced in the final years of employment as a result of fewer hours being worked. This clearly presented a barrier within some of the organisations visited for the purposes of this study. Although some offered staff the opportunity to reduce their working hours in the run up to retirement, in most cases this would have an adverse effect on pensions. Some employers have got round this by introducing flexibilities into their final salary schemes. For example, some pensions are based on the highest annual earnings in the previous five years, taking account of inflation. Another way round this is basing the pension on the full-time equivalent salary, but this does not take account of the effect of the reduced length of service. In money purchase schemes any fall in earnings will also reduce the investment available to purchase an annuity on retirement (IDS, 1998).

Another alternative, which some employers offer, is to increase the amount of holiday available to staff in the final year prior to retirement. For example, Anglia Water allows their staff to take a full year's annual leave in their final year regardless of their retirement date. This option has no impact on salary or pensions (IDS, 1998).

Late retirement or enabling staff to continue working after retirement is another option. Inland Revenue rules, however, preclude employees who joined a pension scheme on or after 1 June 1989, from drawing their pension before actual retirement or leaving service. A number of our employer participants did allow employees to continue working after normal retirement age. In some cases this was restricted to certain types of employee. For example, in one organisation where normal retirement age was 60, lower grade staff were able to continue working until they were 65, so long as their health and efficiency remained sufficient. Others offered flexible retirement ages, by offering a window of ages, *eg* between 60 and 65, at which time employees could choose to retire. IDS (1998) give Boots, British Aerospace, British Airways, CIBA and Pilkington as examples of employers that offer the option of late retirement. In some cases, benefits at normal retirement age are postponed and actuarily increased for late payment. In others, contributions continue and the pension is based on the final actual salary.

### Preparing for retirement

All of the participant employers of this research offered some kind of support and advice to employees in order to help them prepare for retirement. In most cases this was not just a one-off course or event but an ongoing package of support. One employer, for example, ran a series of workshops together with an audio pack which covered a wide range of issues, not only the financial aspects of retirement, such as pensions and investments, but also health, leisure and living abroad. Appraisal can also be used to discuss retirement preparation and plans on an individual basis. Worsley (1996) suggests that this kind of support pays dividends to the employer, in that commitment is retained from the individual. Also, ex-employees who have been treated well act as good ambassadors for the business. Worsley gives Kingfisher as an example of an employer providing pre-retirement support.

One of our research participants reported that all their employees were offered support in getting involved in voluntary schemes or secondments. However, it was recognised that this was particularly beneficial for employees just before retirement. We have already noted the value of supporting the development of outside interests prior to retirement.

## 5.4.2 Post retirement

Maintaining contact with ex employees is also considered good practice (Worsely). Some of our participant employers employed retired employees on a consultancy basis to work on specific projects and as such retained their experience. This can enable the employer to tap into this expertise when they need. However, as already noted, there are Inland Revenue restrictions on allowing employees to remain in service after retirement.

Our employer respondents also maintained contact with their retired employees, through newsletters and associations, continued membership of private medical insurance, and those in the retail sector retained their discount card. IDS (1998) found that employers have varied attitudes to maintaining this sort of contact. Some regard it as their moral responsibility to ensure the continued well-being of retired employees, others feel their role comes to an end at the point of retirement. Unilever and Whitbread are given as examples of employers with well-

developed post-retirement provision. The types of benefits IDS lists that employers offer to pensioners are gifts and cards on special occasions or during sickness, visiting, financial help, associations or clubs, provision of homes for the sick or frail, counselling or advice and other types of practical help.

### 5.4.3 Early retirement schemes

Early retirement schemes have been used extensively in recent years by employers reducing their headcount, and still continue to be used. In fact, some of the employers participating in this research were implementing such schemes at the time of the research. Arrowsmith and McGoldrick (1996) found that six out of ten of the respondents to their survey of managers had implemented early retirement schemes in the last five years. However, many of our participants had increasing concerns about early retirement. These concerns were firstly in relation to the politics of this in the context of greater focus on age discrimination and the Code of Practice on Age, and secondly with regard to the diminishing attraction of early retirement to individuals.

Many employers are no longer able to offer such generous retirement packages, one employer participant suggested that the value of the package they could offer had halved over the last ten years. Furthermore, as the Employers' Forum on Age (1999) has found, changing career patterns are having an adverse effect on retirement benefits. If employees have not been able to build up sufficient pension benefits, early retirement is not a viable option. Our employer participants suggested that the 'golden age' of early retirement, where individuals could afford to take up this option, is drawing to a close. Some of the advantages and disadvantages to employers of early retirement schemes are outlined below.

#### Advantages

- more acceptable than compulsory redundancy, in many cases early retirement is viewed as the preferred option by Trade Unions particularly in the context of youth unemployment
- retirees leave with dignity, and there is no selection process for compulsory redundancy

- attractive packages, in many cases those who can afford it welcome the opportunity to have the free time to do things they have always wanted to do
- funded out of pension funds, because of favourable investment circumstances, pension fund surpluses have been able to provide generous early retirement packages, but this is becoming less of an option
- only employ those who wish to remain with the employer
- retain a younger workforce and reduce blockages in succession planning.

## Disadvantages

- loss of skills and experience, many organisations recognise that early retirement schemes can have the effect of throwing away the memory of their business
- pressure on the remaining workforce, if key employees are lost, pressure on those remaining is likely to increase
- loss of scope for learning or training from older workers, in particular 'sitting with Nellie' method of learning
- age profile concentrated in middle age groups, which may store up problems in future
- impact on employee motivation in the run up to retirement: if there is an expectation of early retirement within the workforce, there may be a loss of perception that the employer is interested in the morale of older workers.

In the light of some of these disadvantages, employers are starting to consider alternatives to early retirement. Worsley (1996) found that some employers have been looking at new methods to reduce employee numbers, avoiding early retirement and retaining skills and experience. Examples included British Airways who offered career breaks, and part-time work for those over 50, where pension contributions were based on part-time pay, but benefits on full-time contributions. Worsley also cites Volkswagen as an example of an employer avoiding redundancies through reducing the working week to four days, for a period of time.

## 5.5 Summary

The government's draft Code of Practice for Age Diversity in Employment did appear to be drawing the attention of the small number of our employer participants to the issue of age at the time of our research. Generally, employers were not experiencing recruitment difficulties at this time, and perhaps for this reason age issues were not of primary concern. Some of the examples of good practice in relation to recruitment of older workers identified were:

- removing age limits in job advertisements
- equal opportunities statements on age
- competency based recruitment, rather than basing selection decisions on education and qualifications which older workers may not have
- ensuring avoidance of unintentional discrimination
- management education to ensure recruitment practices are geared up for recruiting people of all ages
- strategies to target older workers, and making work more attractive to older workers

Employers do not view older workers as a separate group of employees with distinct wants and needs in the workplace. Employers have, however, developed policies and practices that are likely to benefit older workers. These include:

- support for carers, such as offering flexible working arrangements and special leave, advice and support and raising line managers' awareness of the issue of caring for elderly people
- training which might benefit older workers, such as open learning, assistance in building up confidence or plugging skills gaps, support to prepare for retirement, and the development of outside interests
- other benefits such as health screening, associations for older workers and consideration of physical working conditions.

In relation to retirement policies, some employers have implemented gradual or phased retirement schemes whereby employees can reduce their hours in the run up to retirement. All our participant employers offered some kind of support and advice to employees in order to help them prepare for

retirement. Post retirement, many employers remain in contact with ex-employees, and in some cases employ them on a contractual basis for specific projects.

In recent years, employers have used early retirement schemes extensively when reducing headcount. However, as employers are less able to offer early retirement packages attractive enough to tempt older workers to take up this option, they will need to consider alternatives to early retirement.

# 6. Issues arising from the research

Older workers are increasing in number, but their participation in employment has declined in the last decade. By 2011, over half the UK population will be aged over 45, yet they form an ever smaller proportion of the workforce. Older workers face barriers in gaining employment, and once in employment receive fewer training and development opportunities.

This study shows that older workers are more likely to demonstrate a strong commitment to their work and are less likely to take time off for short-term sickness. Many employers recognise the experience, reliability, stability and interpersonal skills older workers can offer. Nevertheless, older workers continue to experience disadvantage within the labour market. These findings raise the question why employers do not make more use of this valuable resource which older workers can often provide.

Explicit age bars in job advertisements are becoming less prevalent, but it is not just overt discrimination that older workers can experience. More common are inadvertent barriers. Line managers' attitudes are particularly important, especially if the HR function is decentralised and individual managers have more responsibility for recruitment. Age can be used subconsciously as a proxy in recruitment, for a quick and convenient indicator of attitudes, circumstances, experience and physical abilities. Managers may also be reluctant to recruit subordinate staff who are older than themselves.

In the future it is likely that more people will need to continue working later in life due to financial constraints. It seems logical that if there are fewer younger people and more older people in the workforce to draw from, employers will need to consider

how to go about attracting and accommodating an older workforce. It is not just the recruitment of older workers which employers will need to consider, but also how to manage and retain an older workforce. The needs and preferences of employees do not necessarily vary by age, but this research showed that older workers are more likely to benefit from things like training to update skills, support in preparing for retirement, and consideration of physical working conditions which prevent debilitating conditions.

Also as a result of the population living longer, more people will have caring responsibilities for older people and will benefit from more flexible working arrangements. Family friendly working practices for those with eldercare responsibilities will become an increasingly important issue for employers to consider. Older workers are also more likely to have concerns about the impact working excessively long hours will have on their health. This further raises the issue of work life balance about which there is already concern amongst the UK workforce.

The study confirms the importance of lifelong learning. Older workers have considerably less access to training and development opportunities. This is despite the fact that one reason employers give for not recruiting older workers is lack of skills. Furthermore, the perception that either older workers do not require further training or do not aspire to career progression or personal development, appears to be misguided. There is clearly a need for training and development opportunities to be provided for people of all ages, throughout their working lives. Employers may be reluctant to invest in employees they do not expect to remain in the organisation for very long, but in fact some employers have realised that there are lower rates of staff turnover amongst older workers than younger employees.

The research identified a lack of concern amongst many employers with regard to the demographic changes. Examples of employers who were adapting their HR practices or policies in response to these changes were hard to come by. It would appear that the changes are either too far ahead or occurring too gradually for many employers to consider the implications for HR practice. However, some examples of good practice have been drawn out in the report. These relate in particular to recruitment policy, family friendly working practices, training

provision, working conditions, health screening and preparation for retirement. However, as important as having the policies in place, is changing attitudes and raising awareness of age related issues within the workplace. An employer might have an equal opportunities statement on age, but this does not necessarily mean it is adhered to throughout the organisation. Training and awareness raising amongst line managers is particularly important. Line managers need to be aware of age related issues in recruitment to ensure avoidance of age discrimination. There also needs to be an understanding of the needs older workers are more likely to have, for example eldercare responsibilities.

If the demographic changes are not such a concern for individual employers, they will be for the economy and society as a whole. The impact of these changes on the dependency ratio needs to be considered, *ie* an increasing proportion of older inactive people relative to the active population, and the goods and services needed to support this growing elderly dependent population.

It is hoped that the government's Code of Practice for Age Diversity in Employment will help to redress some of these issues. This covers six aspects of employment: recruitment, selection, promotion, training and development, redundancy, and retirement, providing recommendations on how to eliminate ageism for each. It emphasises the business case for age diversity in the workforce, but compliance with the code is voluntary. The lack of concern amongst employers about age related issues, which has been identified by this research, does raise some doubt about the likely impact of a voluntary code. It would seem that legislation would be more persuasive.

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# The Fifties Revival

J Kodz, B Kersley, P Bates

The government's Code of Practice for Age Diversity in Employment, launched in June 1999, has been focusing attention on age related issues. This study, funded by the IES Research Club, was based on analysis of the literature and secondary data on the demographic and labour market characteristics of the older workforce, as well as interviews with five leading employers from a range of sectors and a one day workshop with IES Corporate Members. The aim of the interviews and the workshop was to draw out the implications of the secondary data analysis for HR policy and practice. Some of the employers participating had implemented measures targeted at attracting or managing older workers in the workplace.

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